

JPRS-WER-85-104

26 December 1985

West Europe Report

FBIS

FOREIGN BROADCAST INFORMATION SERVICE

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

26 December 1985

WEST EUROPE REPORT

CONTENTS

POLITICAL

DENMARK

Left Puts Government in Minority in Security, Foreign Votes (BERLINGSKE TIDENDE, various dates).....	1
Jørgensen Moderates Leftist Resolution, by Helle Ravn Larsen	1
Central America Resolution, by Helle Ravn Larsen	2
Paper Views Jørgensen's Problem, Editorial	3
NATO Modernization Policy Debated, by Carl Otto Brix	4
Government Again in Minority, by Helle Ravn Larsen	6
Paper on 'Government's Dilemma', Editorial	7

FEDERAL REPUBLIC OF GERMANY

Vogel Discusses SPD's Chances for 1987 Victory (Hans-Jochen Vogel Interview; DIE ZEIT, 20 Sep 85).....	9
Decline in Appeal of SPD, Union Youth Organizations Noted (Ruth Haenschen; VORWAERTS, 3 Aug 85).....	24
Study Shows Work, But Not Unions, Important to Youth (Ulrich Schauen; VORWAERTS, 28 Sep 85).....	28
Budget, Defense Expert Stavenhagen Joins Foreign Ministry (SUEDEUTSCHE ZEITUNG, 3 Sep 85).....	31
Teltschik Plays Unusual, Major Role in FRG Foreign Policy (Claus Gennrich; FRANKFURTER ALLGEMEINE ZEITUNG, 8 Nov 85).	33
Survey Reveals Positive Attitudes Toward Democratic System (Guenther Bading; DIE WELT, 10 Oct 85).....	37

FINLAND

Professor Examines Soviet Stance Toward Finnish Neutrality (Martti Haikio; UUSI SUOMI, 28 Sep 85).....	39
Country's Leading Paper Views Budapest Cultural Meeting (Editorial; HELSINGIN SANOMAT, 17 Oct 85).....	41
Stalinist Paper Complains of Increasing Tilt to West (Pertti Honkanen; TIEDONANTAJA, 24 Oct 85).....	42
Briefs	
Poll Measures Kovisto Popularity	45

FRANCE

Views on Parties, Major Political Figures Polled (LIBERATION, 7 Oct 85).....	46
Results Analyzed, by Eric Dupin	46
Editorial Comment, by Serge July	63

GREECE

Pro-Government Daily Regrets Government Failings (ELEVTHERTOTYPIA, 5, 13 Oct 85).....	65
Loss of Democratic Spirit, by Vasilis Filias	65
Poor Climate for Economic Measures, by Giorgis Massavetas	66
Poll Reveals High Level of Depression (Olympia Tsipira; TO VIMA, 13 Oct 85).....	68
Briefs	
Soviets Reneging on Agreements	70

ITALY

Situation in South Tyrol Seen Deteriorating (Inge Santner; DIE WELTWOCH, 19 Sep 85).....	71
PSI Officials Vexed Over Speech by DC's De Mita (L'UNITA, 6 Nov 85).....	75
Natta on Foreign Policy, SDI in Confidence Debate Speech (L'UNITA, 6 Nov 85).....	77

NETHERLANDS

Commentator Calls for Movement in Relations With Suriname (Andre Spoor; NRC HANDELSBLAD, 28 Oct 85).....	89
---	----

NORWAY

Social Expenditures Seen as Battle Ground in New Storting (ARBEIDERBLADET, 9 Oct 85; AFTENPOSTEN, various dates).....	92
Labor Party Newspaper Comments, Editorial	92
Welfare Issue Increasing 'Polarization', Editorial	93
Stable Majority Seen Lacking	94
Progressives Enjoying New Power	95
Willoch Issues Challenge, Editorial	96

PORTUGAL

Amaral-Commissioned Poll Shows Pintasilgo Gaining (TEMPO, 23 Aug 85).....	98
--	----

SPAIN

Polisario Youth Representative on Relations With Spain (Baba Sayed Interview; MUNDO OBRERO, 10 Oct 85).....	101
Former Polisario Representative's Remarks on Spanish Relations (Carlos Carnicero; TIEMPO, 14 Oct 85).....	105

TURKEY

Demirel Discusses Relations With Greece (Alkis Kourkoulas; TO VIMA, 27 Oct 85).....	109
Demirel Assails Militarism, 'Artificial Party System' (Suleyman Demirel Interview; DIE TAGESZEITUNG, 31 Oct 85)..	112

MILITARY

EUROPEAN AFFAIRS

Dutch Army Buys Swedish Antitank Mines (Erik Liden; SVENSKA DAGBLADET, 1 Nov 85).....	118
--	-----

AUSTRIA

Personnel, Equipment Needs of Army Noted (Peter Zehrer; DIE PRESSE, 4 Oct 85).....	120
---	-----

FEDERAL REPUBLIC OF GERMANY

Armored Infantry Seen Vulnerable in Dismounted Defense Role (Udo Meyer; KAMPFTRUPPEN/KAMPFUNTERSTUETZUNGSTRUPPEN, Jul 85).....	124
--	-----

FINLAND

Air Force Chief Merio Reiterates Need for Additional Hawks (Martti Heikkila; HELSINGIN SANOMAT, 18 Oct 85).....	131
--	-----

Briefs

Additional Armored Personnel Carriers	134
---------------------------------------	-----

PORTUGAL

Jupiter-85 Joint Maneuvers With Spain (DIARIO DE NOTICIAS, 30 Oct 85).....	135
---	-----

Briefs

Poor NATO Support to Defense Industry	137
---------------------------------------	-----

SWEDEN

Realities in U-Boat Threats, Defense Plans Discussed (Fredrik Braconier; SVENSKA DAGBLADET, 5 Nov 85).....	138
---	-----

ECONOMIC

DENMARK

Trade Union Leader, Socialists Laud Schluter Policies (Michael Ehrenreich; BERLINGSKE TIDENDE, 8 Nov 85).....	140
--	-----

Agricultural Income Expected To Fall (BERLINGSKE TIDENDE, 15 Nov 85).....	142
--	-----

Aid Projects for China, Ethiopia, Greenland (BERLINGSKE TIDENDE, 12 Nov 85).....	143
---	-----

Export Potential Seen for Hope Electric Car as Production Starts (Olav Hergel; BERLINGSKE TIDENDE, 12 Nov 85).....	144
---	-----

DENMARK/GREENLAND

Greenland Demands Equal Division of Cryolite Sale Profits (BERLINGSKE TIDENDE, 6 Nov 85).....	147
--	-----

FEDERAL REPUBLIC OF GERMANY

Berlin Industries Increase Production, Investments (HANDELSBLATT, 20-21 Sep 85).....	149
---	-----

Electronics Expands Telecommunications Branch	149
Borsig Plans Factory Modernization	150

FINLAND

- Paper Views Prospects for USSR Trade in Light of Gorbachev Moves
(Editorial; UUSI SUOMI, 28 Oct 85)..... 152

FRANCE

- Economic Recovery in Doubt
(LES ECHOS, 30 Oct 85)..... 154

NORWAY

- Inflation Decrease Seen Inadequate To Improve Competitiveness
(AFTENPOSTEN, 10 Nov 85)..... 157
- Government Action Plan for Information Technology
(Kjell Aaserud; AFTENPOSTEN, 7 Nov 85)..... 158
- Industry Accused of Failing To Exploit New Technology Fully
(Rolf L. Larsen; AFTENPOSTEN, 7 Nov 85)..... 160
- Export Led Expansion in Economy Seen Wavering
(AFTENPOSTEN, 11 Nov 85)..... 162

PORTUGAL

- Employment Figures Show Slight Rise
(DIARIO DE NOTICIAS, 21 Aug 85)..... 163
- Statistics on First-Quarter Wages Due Workers
(SEMANARIO, 24 Aug 85)..... 164
- Unemployment Rises; Compensation Inadequate
(DIARIO DE NOTICIAS, 27 Oct 85)..... 166
- Briefs
- Firms' Difficulties in EEC Membership 168
 - Increasing Foreign Investment 168
 - First-Quarter Emigrant Remittances Up 168

SPAIN

- State of Country's Economy Discussed
(Antonio Torrero Manas; EL PAIS, 25-28 Sep 85)..... 169

ENERGY

EUROPEAN AFFAIRS

Statpipe From Fields to Emden Begins Operation (Morten Woldsdal; AFTENPOSTEN, 8 Nov 85).....	178
---	-----

FINLAND

New Nuclear Power Plant Part of Energy Package (UUSI SUOMI; 6 Nov 85)	181
Energy Issues as Tactics, Editorial	181
Alternatives to Nuclear Power	183

NORWAY

Norsk Hydro Seen Overtaking Statoil Again as Largest Company (AFTENPOSTEN, 9 Nov 85).....	185
Stocks Increasingly Popular, by Thomas Knutzen	185
Torvild Aakvaag Leading Resurgence, by Morten Woldsdal	187
Briefs	
Possible New Oil Find	189

ENVIRONMENTAL QUALITY

EUROPEAN AFFAIRS

Scandinavian Countries' Environment Agencies, Views Compared (DAGENS NYHETER, 10 Nov 85).....	190
Sweden's New Minister Comments, by Magdalena Ribbing	190
Norway's Minister Cites Problems, by Erik Magnusson	192
Danish Environment Ministry Reorganized, by Christian Palme	193

POLITICAL

DENMARK

LEFT PUTS GOVERNMENT IN MINORITY IN SECURITY, FOREIGN VOTES

Jørgensen Moderates Leftist Resolution

Copenhagen BERLINGSKE TIDENDE in Danish 8 Nov 85 p 1

[Article by Helle Ravn Larsen]

[Text] In the last minute, former Prime Minister Anker Jørgensen (Social Democratic Party) intervened, overruling his own party's draft resolution on Central America and U.S. involvement in that area. A more moderate draft resolution was adopted by a majority outside the government.

After strong pressure from the right wing of the Social Democratic Party, former Prime Minister Anker Jørgensen (Social Democratic Party) yesterday intervened against his party's draft resolution in the Nicaragua debate.

He thus discredited his party's spokesman, Hans Hækkerup, by softening the Social Democratic draft resolution and not placing the blame on the United States exclusively for the developments and problems in Central America, according to information received by BERLINGSKE TIDENDE.

The original draft resolution had already been approved by the spokesmen of the Radical Liberal Party, the Socialist People's Party and the Socialist Left Party, and there was thus a solid majority outside the government for the wording of a resolution which would have been very difficult for Foreign Minister Uffe Ellemann-Jensen (Liberal Party) to live with.

The Social Democratic right wing demanded that the draft resolution be expanded to include a request to the government to dissociate itself from any foreign intervention in Central America--as is normally done in foreign policy debates concerning countries such as Poland and Afghanistan.

Although the resolution was no longer solely anti-U.S., Uffe Ellemann-Jensen did not conceal the fact that he found it most inappropriate, onesided and awkward.

At no point did he confirm that he intends to request the United States directly to alter its policy toward the Central American countries, to lift its

trade embargo against Nicaragua immediately and resume the Manzanillo discussions, as had been demanded by the majority.

Uffe Ellemann-Jensen pointed out that Denmark gives very definite political support to the peace efforts of the Contadora countries as well as considerable economic aid.

The situation of Central America will, incidentally, be discussed in a meeting of foreign ministers in Luxembourg next week among the EC countries, Spain, Portugal and the Contadora countries.

Central America Resolution

Copenhagen BERLINGSKE TIDENDE in Danish 9 Nov 85 p 12

[Article by Helle Ravn Larsen: "Social Democratic Party Fearing Failure to Comply with Resolution"]

[Text] The Social Democratic Party wants the prime minister's confirmation that the government does, indeed, intend to comply with the resolution, requesting the United States to change its policy in Central America. The Socialist Left Party, too, doubts the will of the government.

The Social Democratic Party and the Socialist Left Party fear that the government will evade the issue, failing to comply with the resolution adopted by the alternative foreign policy majority, the Social Democratic Party, the Socialist Left Party, the Socialist People's Party and the Radical Liberal Party, during the interpellation debate in parliament last Thursday on Central America and U.S. involvement in that area.

For this reason, the Social Democratic spokesman, Hans Hækkerup, has now asked Prime Minister Poul Schluter (Conservative Party) to confirm orally during the interpellation debate in parliament next Wednesday that the government intends to comply with the resolution to the effect that the government will request the United States to change its policy toward the Central American countries, lift its trade embargo against Nicaragua immediately and resume the Manzanillo discussions.

On the same day, Foreign Minister Uffe Ellemann-Jensen (Liberal Party) will have to answer the question asked by Kjeld Albrechtsen (Socialist Left Party) whether it is correct that the foreign minister sees no reason to take any further steps beyond the current efforts on the part of the government within the UN Security Council and together with the EC countries.

In the reasons adduced by Hans Hækkerup in support of his question to the prime minister, Hans Hækkerup states that he repeatedly asked Foreign Minister Uffe Ellemann-Jensen (Liberal Party) directly whether the government intends to comply with the resolution, but the foreign minister apparently was not able to make any statement on behalf of the government.

Kjeld Albrechtsen stated that the reason for his question to Uffe Ellemann-Jensen was that he has given rise to doubt as to the government's willingness to comply with the resolution. That is why the minister ought to have the opportunity to eliminate any doubt unequivocally.

Paper Views Jørgensen's Problem

Copenhagen BERLINGSKE TIDENDE in Danish 9 Nov 85 p 8

[Editorial: "Anker's Problem"]

[Text] Last Thursday, the government was again in minority on a foreign policy issue. This time, it was a question of Central America. Or rather: a majority was formed outside the government, so that its parties abstained from voting. But nobody, neither in parliament nor outside, had any doubts that the government did not find the resolution adopted appropriate. The foreign minister pointed out to parliament that long resolutions are not the best guidelines in foreign policy matters. But those agreeing with him did not vote. And those who did not agree with him allowed the long draft resolution to be adopted.

All of this gives no surprise. The foreign minister is gradually in need of a special diplomatic briefcase when travelling abroad, and he hardly has received the last resolution. Indeed, the surprising thing was that he might have had to take along a resolution of an even harsher content if Anker Jørgensen had not prevented this from happening. The so-called alternative majority, which is so spacious as to allow room for everybody right from the the Socialist Left Party to the Social Democratic Party, had, through negotiations, arrived at a resolution, the wording of which was calculated to shape a Danish foreign policy where the United States would unambiguously have played the role of villain in Central America. This had been arranged by the four negotiating parties.

Only because certain members of the Social Democratic group did not want to participate in this, the resolution was given a wording which, with a little ingenuity, may be referred to as neutral. As party leader, Anker Jørgensen was left with the problem that the alternative majority is more belligerent and less in majority than may be tolerated by the general majority within his own party. He, therefore, had to knock the worst rough corners off the draft resolution.

He hardly did so because he did not want to participate in a condemnation of the United States. Nor was the so-called daily leadership of the party--at any rate, not its majority--likely to be able to muster any major exasperation with regard to the original wording of the draft resolution. In other words, it was the rank and file of the group who did not want to participate. This, invariably, brings to mind words and sentences contained in the book of debates by Erling Olsen and Robert Pedersen. The said book contains a broad showdown with the daily leadership of the party as well as a proposal

for a better platform for a Social Democratic security and foreign policy. The two authors play no central role within the Social Democratic Party. However, they should not be underestimated as players behind the line.

Anker Jørgensen's problem is that his party has to embrace more than it is capable of. It has to embrace both the alternative majority and Olsen/Pedersen. That is a lot. Too much.

This was seen last Thursday.

NATO Modernization Policy Debated

Copenhagen BERLINGSKE TIDENDE in Danish 13 Nov 85 p 3

[Article by Carl Otto Brix]

[Text] Prime Minister Poul Schluter is warning the Social Democratic Party, indicating that the government will refuse to comply with the demands of the majority in the security policy area.

The formula has been nearly the same in the approximately fifteen security policy debates that the Danish parliament has had since the takeover by the nonsocialist government in September of 1982:

The Socialist People's Party and the Socialist Left Party have asked the prime minister, the minister of foreign affairs or the minister of defense what the government intends to do in connection with a certain nuclear arms issue; during the debate, the Social Democratic Party has presented a draft resolution supported by the Social Democratic Party, the Socialist People's Party, the Socialist Left Party--and the Radical Liberal Party. The majority has thus been ensured. The Progressive Party has voted against the draft resolution and the government coalition parties have abstained from voting.

In this way, the government has gradually been forced away from the security policy line that it believed had been secured because the security and defense policy for a generation has been safely safeguarded by the Social Democratic Party, the Liberal Party and the Conservative Party.

The government has more or less got used to being in the minority in security policy matters, and it has put up with it because it has found that the economic recovery took priority to anything else.

Now, Prime Minister Poul Schluter (Conservative Party), however, wants to put an end to it.

Today, the Danish parliament will have another debate on a nuclear arms issue, raised by the Socialist People's Party and the Socialist Left Party; the two parties are anew planning a draft resolution; the Social Democratic Party will anew do the same thing, and they will anew have to expect the proposal by the latter to win the majority.

Adhering to NATO Agreement

It is Defense Minister Hans Engell (Conservative Party) who will have to answer a question regarding NATO's plans for new and modern short-distance nuclear weapons in Western Europe, and, yesterday, the prime minister said that the government will not accept a draft resolution that will force it to dissociate itself from the agreement entered into by Denmark 2 years ago within NATO regarding the removal of 1,400 short-distance weapons from Western Europe.

Those asking the above question are of the opinion that it is a question of a modernization of weapons.

When a government chief states that his government cannot accept a proposal, this usually means that he intends to issue writs for an election if the majority of the parliament wants to force through a certain matter.

The complicated security policy situation, however, is not as simple as that. The government may choose to ignore the intentions of the majority and await a vote of censure from the same majority--whereupon writs for an election will be issued.

It is this state of affairs that has been approaching for a long time and for which not least Minister of Foreign Affairs Uffe Ellemann-Jensen (Liberal Party) has been a spokesman. The issue was raised anew last week when the same majority wanted the government to condemn the actions by the United States in Central America and the answer by the minister of foreign affairs might easily be interpreted as meaning that he did not intend to do so. Hans Hækkerup (Social Democratic Party) has asked the prime minister whether the minister of foreign affairs really meant not to do what the majority tells him to do.

Depending upon the content of the draft resolution proposed by the Social Democratic Party today, the situation may thus come to a head. The government does not want to be forced further away from its policy, but, on the other hand, the prime minister would be most reluctant to have a security policy showdown with its old majority partner, the Social Democratic Party.

Still Believing in Broad Majority

He and his government still cling to the belief that, through the provisional security policy committee--the so-called Østergaard committee--they will succeed in reestablishing the former broad majority, so that Denmark will escape from the shadow of footnotes.

Government Again in Minority

Copenhagen BERLINGSKE TIDENDE in Danish 15 Nov 85 p 5

[Article by Helle Ravn Larsen]

[Text] A majority outside the government yesterday adopted a Social Democratic draft resolution which involves a slightly more restrained Danish attitude toward NATO decisions. The proposal will have no parliamentary consequences.

Yesterday, the government suffered another defeat in its NATO policy when the alternative security and foreign policy majority voted for a stricter Social Democratic draft resolution. The resolution, however, will have no parliamentary consequences.

The resolution directs the government to support all efforts to avoid any form of stationing or deployment of new or modernized nuclear weapons in Eastern as well as Western Europe, including short-distance nuclear arms, atomic artillery shells, airbased nuclear arms and neutron weapons.

The resolution, moreover, directs the government to ensure that there will be no Danish support in NATO of any such modernization or deployment without the approval of the Danish parliament.

The coalition parties refrained from voting, and, during the recent debate, Minister of Defense Hans Engell (Conservative Party) stated that his basis was that the Social Democratic Party itself was of the opinion that the resolution remained within the framework of the 3 May resolution. There was, however, a slight tightening, as far as the last item of the resolution was concerned.

The Progressive Party and Ole Maisted (The Free Democrats) voted against the draft resolution, whereas the Social Democratic Party, the Radical Liberal Party and the Socialist Left Party voted for the Social Democratic draft resolution.

The Socialist Left Party and the Socialist People's Party had jointly proposed an even harsher resolution, which the government beforehand had said it would not accept. That draft resolution, however, was not put to the vote but was dropped at the adoption of the Social Democratic draft resolution.

Paper on 'Government's Dilemma'

Copenhagen BERLINGSKE TIDENDE in Danish 15 Nov 85 p 10

[Editorial]

[Text] "When, on 26 May 1983, the Social Democratic parliamentary group had an intensive debate on the draft resolution, the atmosphere changed when Lasse Budtz stated that both the prime minister and the minister of foreign affairs would put up with the resolution if, in answer to a question from the minister of foreign affairs on our relations to NATO, Lasse Budtz would only state from the platform that the Social Democratic Party still supports NATO." This information is contained in the contribution by Robert Pedersen, M.P., to the book: "When the Wave of the Right Wing Begins to Ebb Away."

This is an interesting piece of information. First, because there is every reason to believe that it is correct. Second, because it gives occasion to contemplate what the government has thrown away by taking the advice of Robert Pedersen: Entering into negotiations with the leadership of the Social Democratic Party to find a line which our Allies would be able to understand and respect.

Much water has flowed under the bridges since the 26 May 1983. However, the government is still the same as at that time, nor has the Social Democratic parliamentary group undergone any major changes since then. It has overturned a government through the vote on the budget in the fall of 1983, and it has added more than a dozen security policy resolutions to the 26 May resolution. However, the persons are the same, and the attitudes probably also.

If this is taken as the point of departure, there ought to be the same possibilities of discussion as in May 2½ years ago. A confidential discussion in which the government for once may shift the pressure to the Social Democratic Party by asking what the party's actual security policy objectives are, instead of having the Social Democratic Party, from time to time, imposing increasingly hampering restraints on the government in security policy matters. However, the government's problem is that such a discussion will, invariably, take it to the so-called "daily leadership," and the way it is composed. It is certainly not on a line with Robert Pedersen, nor, perhaps, with the group majority. The party's daily leadership has appointed Lasse Budtz its security policy spokesman because he more or less represents the security policy position of the leadership. That is why the government is in such an impossible situation. It is unable to arrange a sensible discussion with the Social Democratic Party because the party leadership stands in the way. It cannot provoke the situation where the other wing of the party takes over because the daily leadership would then prefer to force the Social Democratic Party and the country to go to the polls. In the final analysis, the existing security policy majority may not be a majority at all, but it acts as if it were, and it prevents any tests to find out whether it exists.

That is why the government's dilemma is substantial. It may choose to shut its ears to the security policy resolutions that are adopted, swallow them, struggle along with them in this country and abroad. Or it may choose to call a halt to it. So far, it has chosen the former line. If it chooses to call a halt to it, the security policy majority may very well disintegrate by itself. It may also lead to an election. And, if so, what will then happen to the Social Democratic parliamentary group? The daily leadership will probably go to great lengths to ensure that the security policy line of the newly elected group will be farther to the left than that of the present group. Even if the government will probably be able to retain its parliamentary majority after an election, the final result may very well be that the majority formations will be the same as previously: A majority supporting the economic policy and a pinpricking majority hampering the government in the security policy area. And then we are back again where we started.

The big, unanswered question is how it is feasible to leave the responsibility with the Social Democratic Party. Robert Pedersen has not answered that question clearly. Nor was it answered clearly during the debate on the draft resolution last Wednesday.

7262

CSO: 3613/26

POLITICAL

FEDERAL REPUBLIC OF GERMANY

VOGEL DISCUSSES SPD'S CHANCES FOR 1987 VICTORY

Hamburg DIE ZEIT in German 20 Sep 85 pp 3-4

[Interview with SPD Floor Leader Hans-Jochen Vogel conducted by ZEIT editors Theo Sommer and Rolf Zundel, date and place not indicated: "We Have to Try It by Ourselves"]

[Text] This week the Social Democrats put forward Johannes Rau as their next candidate for chancellor. How does the SPD see itself? Where does it put its program emphases? What odds does it give itself in the struggle for power? DIE ZEIT asks the opposition leader.

ZEIT: What actual indications are there that the SPD will take over the political leadership of the Federal Republic after the next parliamentary elections in early 1987?

Vogel: One indication is the fact that the present coalition is failing in essential fields and has committed grave errors even measured by its own standards. A further indication is that we have worked through the frustration of 1981 and 1982 and the defeat of 1983. We are also intellectually equipped for taking over the responsibility of government. And finally there is also the fact that the Chancellor, upon whom so much depends in our country's political reality, is, even in the judgement of more than a few of his own party, ready to be relieved.

ZEIT: It is true that the SPD leads the Union in some polls. It has been able to score a few elections victories. But doesn't that primarily reflect the government's weakness? Is it in reality an expression of new strength for the opposition?

Vogel: It is the experience of all stable democracies that the errors committed by the government have great weight in deciding elections. But I wouldn't have drawn my conclusion that it is necessary to switch teams if I weren't convinced that we are equal to the responsibility of government, in people and in ideas.

ZEIT: There is also the Federal Republic's experience that dissatisfaction with Bonn government easily finds expression in the state legislative elections, where it can be shown without risk.

Vogel: Of course, we must also take a look at these intermediate elections. Just the Saar result alone is out of the ordinary. I can only remember one other case where, as in the Saar, a state government was replaced by a government from the ranks of the opposition by new elections: that was on 10 May 1981 in Berlin. And hardly a year later this change from SPD to CDU was followed by the end of the Social-Liberal federal government. But Nordrhein-Westfalen is also out of the ordinary. The 12 May 1985 result put the Union totally out of the running. When the Union falls to 36 percent and the SPD rises to over 52 percent in the most populous state in the Federal Republic--after all, a third of all voters lives there--then these are almost Bavarian figures--only in reverse. These are not the usual ups and downs, something more is under way.

ZEIT: The history of the Federal Republic also teaches us one more thing: that shifts of power come about in very long waves with us. What is so exceptional about the situation now, that you think you can override this law as early as 1987?

Vogel: First of all I can't acknowledge such a law in so general a sense. I think it's possible the cycles have gotten shorter. And for this reason, that--and Mr. Radunski, the CDU elections expert, himself confirms this--the number of swing-voters has increased considerably in the Federal Republic too.

These voters don't bind themselves once and for all to any party, but judge from the concrete situation--and from their disappointment. And they have pretty good grounds for it. Up to now people have believed--and it was even more or less true for the Adenauer period--that conservatives could govern, that they knew their business: in foreign policy, in crisis management, also in taking care of so-called scandals and "affairs." And yet precisely in these three areas the disappointment with the present federal government is especially deep. Many are embittered, furthermore, by the inactivity of the federal government in regard to mass unemployment, by the accumulation of social inequities, and by the quickly progressing loss of significance of our republic in foreign affairs.

ZEIT: The SPD looked different at the end of the sixties than it does today. Then its claim to have better men, to be creating the modern Germany, was widely accepted. It had economic credentials in Karl Schiller, national-security credentials in Helmut Schmidt, Ostpolitik credentials in Willy Brandt and Egon Bahr. The SPD fell in with a widespread feeling that it was time for a change.

Vogel: I think the feeling it's time to switch back is clearly perceptible and it has also found expression in the state legislative elections.

As to people: well, how does it look, for example, in Ostpolitik, in detente policy, in foreign policy in general? Our competence, the expertise of our

people in this field too, is really more undisputed than ever. Who comes to mind for it on the other side? No one knows the successors of the two late Union delegates Mertes and Marx by name!

We for our part have outstanding credentials as to people. I'll just name Willy Brandt, whose reputation in just this important field has perhaps grown even more in recent years. I'll name Horst Ehmke, Egon Bahr, as well as Karsten Voigt, who has an international reputation today. Those I've named, and a number of other Social Democrats, need in no wise fear comparison with the conservatives, even in national-security policy.

As far as economic and social policy is concerned, Wolfgang Roth is not only a match for, but superior to Mr. Bangemann, and Anke Fuchs to Mr. Bluem, both in ideas and in their presentation. The list could be lengthened.

ZEIT: Rolf Dahrendorf once said that there's a majority in our population that one could well designate as Schmidt Social Democrats, apart from all party boundaries. Isn't it true parts of the SPD are moving away from this consensus?

Vogel: No, the opposite is true. Agreement within the party is greater today than it was in the late seventies and especially in the early eighties. If what you say were true, it would be impossible to explain, for example, that Lafontaine in the Saar gets an absolute majority. Even you are not going to claim that Helmut Schmidt enjoys less popularity among the Saarlanders than in the rest of the country.

ZEIT: Well, Johannes Rau got an absolute majority in Nordrhein-Westfalen too.

Vogel: But that only shows that this difference between Schmidt voters and non-Schmidt voters doesn't exist. It refutes your hypothesis.

ZEIT: No, it confirms it, to the extent that Rau's position is by no means Lafontaine's position.

Vogel: Can there be a greater tribute to us than the fact that we get absolute majorities both with Oscar Lafontaine and with Johannes Rau? It's a confirmation that the claim this party is falling apart does not correspond to the facts. It shows that we are closer and more solidly together today than in earlier years.

ZEIT: You accuse this government of being poorly equipped with people, at least at the top. The SPD, however, took a great deal of time to name its chancellor candidate. And it's still being very coy about officially nominating him.

Vogel: It was not that no one suitable for the candidacy was available. That would indeed have been serious. Besides, never even in the less friendly newspapers has it been claimed that we're talking about political nonentities with those whose names have been mentioned. The preponderant judgement in

fact was that one had this strength and the other that. So I can't see what is supposed to have been lost by the fact that the discussion lasted a few weeks.

ZEIT: Hasn't it resulted from your having taken a great deal of time with the naming of the challenger that individual figures within the party itself don't know on whom to orient themselves? Here's Mr. Schmude who says we should talk a bit about whether to remove the imperative for reunification from the preamble to the constitution; here's Mr. Wischnewski who lately renounced the party and all its works, and graced his declaration with very personal expressions about the SPD floor leader; and here's Anderas von Buelow to do his thing. You don't get the impression that a unified Social Democratic will is visible here, but rather the personal ambition of Social Democratic politicians is recognizable in it.

Vogel: Well, that was quite a lot all at once. First, that people don't know on whom to orient themselves. I can't accept this in any way. It would make sense if Willy Brandt, Johannes Rau and I stood for different directions, different priorities. The agreement among us is really total. As a counter-example, just think for a moment of the "boyfriends" Kohl and Strauss.

Now to the three cases in which discussion has arisen. Juergen Schmude: I urgently request everyone who tackles this matter first of all to take note of the actual wording of what he said. What he said is what Strauss and others have been saying for years - for example about the historical viewpoint on the existence of two German states.

The excitement - the artificial excitement - can in any case only be explained by the Union's endeavor to distract attention from its own bankruptcy. The question whether the SPD's Germany policy could collide with the Basic Law too, is answered by the fact that there is no such policy.

Hans-Juergen Wischnewski: for heaven's sake, we all get carried away at times. And we all know that one is in a specially irritable condition when one has quit smoking and lost a lot of weight. That neither the timing nor the outward form of Hans-Juergen Wischnewski's step was particularly fortunate--just disregarding entirely the grounds adduced--doesn't have to be repeated again now. With the appointment of Hans Matthöfer, the affair was gotten over with. That's a good solution that I'm pleased with. And after a certain amount of time, Hans-Juergen Wischnewski will certainly collaborate again in one way or another, just as we have come to expect of him over 30 years.

ZEIT: You did answer Wischnewski, indirectly, that it was better to be a high-school teacher than a learning-disabled pupil. Later you apologized for the expression to the National Association of the Learning Disabled. Must one see diffamation in your utterance?

Vogel: No, these people wrote me very reasonably. They didn't tell me I had diffamed anyone. But the expression was thoughtless. I should have said "hedge scholar," or something else.

ZEIT: Then you would have had the National Hedge Scholars Association.

Vogel: I don't know that one exists. But by the way I used the phrase "learning disabled," not only young people attending special schools, but also those who care for them, could have felt upset. To my way of thinking, you apologize in such a case, you don't start talking in circles and defending yourself, but you say: that was a mistake, I shouldn't have done that--and that takes care of it.

Then Andreas von Buelow. I believe, according to this week's AKTUELLE STUNDE, that the smarter ones in the Union have already realized that it pretty much backfired on the Union. They couldn't substantiate any one of all their statements. The statement that Buelow demanded the unilateral withdrawal of the Americans is a flat falsification - which means a lie. For the rest, we are after all used to new ideas' as a rule being at first diffamed from the conservative side. If we had let that bother us, there would have been neither Ostpolitik nor today's relations with the DDR, nor the Helsinki Accord. I could lengthen the list.

ZEIT: You are fully in agreement with Buelow's theses?

Vogel: I don't agree with everything in his paper. But as chairman of a committee of the party board, the man has the right--no, he actually has the duty--to make his contributions toward getting something sensible accomplished. I prefer powerful initiatives here to mentally lazy cud-chewing.

ZEIT: The open secret has now been brought out: Johannes Rau will be the SPD candidate for chancellor. A popular man, but inexperienced in national-level politics and without a sharp programmatic profile. Will he make the SPD attractive to the voters?

Vogel: I welcome Johannes Rau's declaring himself available. His political profile--even at the national level--is clear, his experience comprehensive. How attractive he is for voters, he has impressively put to proof in two state legislative elections. His availability means the SPD is counting on victory in 1987.

ZEIT: How do you see your relationship to the future candidate for chancellor--as a duet, as a duel, or as a duty?

Vogel: A friendly cooperation--which has proved itself again and again in recent years, even in different situations.

ZEIT: You are often compared to Herbert Wehner--and you are not unhappy to hear it. It is known that, like Wehner, you take care of people who find themselves in need, quietly and without any fuss. Do you have the ambition to become something like a Wehner-figure in the SPD?

Vogel: With all reserve be it said: it doesn't offend me, rather just the opposite, I consider it an honor, to be named in the same breath with a man

like Herbert Wehner. I have no claims in that directions. On the other hand, the party and our parliamentary delegation have a right to claim that I properly fulfill my role as delegation chairman. In this job I have been able to help stabilize the party after the difficult years of 1981 and 1982. The parliamentary delegation was in that period a stabilizing factor for the party as a whole: we went to work, we were--and some sneered at this-- we were diligent. And I contributed my part to all that.

And I have personally more and more come to terms with my job in recent years. I wasn't necessarily destined for it: previously I worked more in the executive, in the government, in administration. I'm getting more and more taste for the task now. And I think that from this position I can not only protect Willy Brandt's, Johannes Rau's, and others' flanks--which is after all a task of the parliamentary chairman--but also help them in my way, together with the delegation. That I also quietly try to help a lot of people in my Berlin district office and otherwise--that's another story.

ZEIT: Assuming the SPD won the 1987 election, would Hans-Jochen Vogel remain parliamentary chairman?

Vogel: That is my clear preference.

ZEIT: Could you imagine being party chairman?

Vogel: The question isn't timely and so doesn't occupy me. Willy Brandt remains available to us. I couldn't think of anyone who could handle this job and master it as Willy Brandt does.

ZEIT: The SPD, when it had to take leave of power, was leached of ideas. It had not perceived a number of things that had changed in society, and this was brought home to it very pointedly. In what direction has the party's thinking developed in the nearly 3 years of opposition, where are its new emphases? What kind of alternative does it offer?

Vogel: Let's begin with national-security policy. On this the Essen party conference confirmed that we affirm the Atlantic alliance, we affirm our membership in it. The discussion we had on this in the summer of 1983 was there with brought to an end. We know that a withdrawal from NATO would mean we would stand very much alone in central Europe, that our influence in east and west would diminish, and that we would thereby be contributing to the destabilization rather than to the stabilization of central Europe. Within the alliance, however, we are advocating very specific changes in the alliance strategy. In particular, we emphatically object to the uninhibited continuation of the arms race.

ZEIT: Concretely, this means the SPD rejects Reagan's SDI space project?

Vogel: Yes--no ifs, ands or buts.

ZEIT: The SPD also rejects any kind of research participation in it by German private firms?

Vogel: Under our legal and social order, we can warn against it, point out the implications--the government can't forbid it. The decisive question is whether the Federal Republic as such participates in it by agreements or otherwise. We say no to that.

ZEIT: Does this also mean you have certain conditions to attach to the Federal Republic's participation in Eureka?

Vogel: We favor Eureka. We say yes to Europe, to the speedier progress of European unification. We advocate stronger self-assertion by Europe. Eureka is of course for us a civilian project, not a military one.

ZEIT: Is that the perception of everyone in the SPD? There are after all quite a number of SPD politicians for who German-French cooperation even in military technology is not at all so foreign.

Vogel: Eureka is a civilian project for us. That includes the possibility of a European reconnaissance satellite independent of weather, which could make a considerable contribution to arms control and would also make us more independent of what the two superpowers put at our disposal as their knowledge of the moment.

As far a military cooperation is concerned, a European unification process means that Paris and Bonn must be united in as many fields as possible. And, this process thus naturally also means that Paris and Bonn must move closer on security questions.

ZEIT: Chemical-weapons storage on Federal Republic soil?

Vogel: No.

ZEIT: Also removal of the old ones that are already stored here?

Vogel: Yes. Happily, even Mr. Dregger has agreed with us on this question. Meanwhile, we have shown in this field how we picture the further development of Germany policy. It's simply not enough just to keep talking about how war must never again start on German soil. Rather one must bring concrete initiatives for the securing of peace. That's what we've done.

ZEIT: CDU politicians agree with your desire in substance, chemical weapons away from German soil, but accuse you of making foreign policy on your own hook here, à la Kungel.

Vogel: When Mr. Strauss contrives 2 billion marks of credit for over there in secret talks with Erich Honecher's representatives, this is obviously a knock-down-drag-out encounter with the communist system. But when, in conversations, we seek ways in which at least the chemical weapons can be removed in a verifiable way from this weapon-choked piece of central Europe, then this is Kungelism. This isn't honest, it isn't fair. By the way, I don't understand why the federal government - and Mr. Genscher would very probably be glad to do it, if he were allowed - doesn't take the DDR at its

word and say, okay, let's enter into negotiations and see how serious the intentions are here.

ZEIT: You have set forth the starting points of Social Democratic national-security policy. What is not so clear is where this path leads. Two sentences, for example, from the SPD Presidium's discussion on the Buelow paper. One reads, "The presence of American troops in the Federal Republic is a central factor in the political and military stability of Europe." And the other says, "Whoever wants to overcome the splitting of Europe must consider how to secure Europe without the superpowers' armies." Aren't these two sentences a wonderful piece of straddling?

Vogel: Let me here recall Konrad Adenauer, who even in the years of his chancellorship said the goal must be to make the two blocs obsolete, the goal must be a peace settlement in which there is no more need for these two alliances. And Strauss has certainly said this a dozen times. Buelow is not saying anything else, it's just that he doesn't simply leave it at that general proposition, but rather he develops ideas as to how steps in this direction might look.

ZEIT: Which of Buelow's steps seem correct to your?

Vogel: I think it's correct, for example, that he admonishes us to see the Soviet threat realistically. When he says threat analyses have quite often degenerated into instruments for putting through the maximum demands--as against one's own finance minister, one's own legislature, or in the alliance--there the man is right. Of course he is far from saying there is no threat, rather he says, see it realistically. After all, it's nonsense to be continually reading that the Russians are totally unable to organize their economy so as to be able to deliver products that conform to world-market standards, yet at the same time to assume that, in the military field, the Russians are unadulterated miracle men. The truth must lie more in the middle. Then he says we must take concrete steps: chemical-weapon-free zone, atomic-weapon-free strip along the federal border, confidence-building measures that make it plain that the principle of no-first-strike capability is being consistently taken account of.

ZEIT: Do you want to do away with our armor in large part, would you seriously want to go for a cadre-and-militia system?

Vogel: As to the first point: we must direct more attention than hitherto to tank-defense systems, tank-breaking weapons. Tanks as the response to foreign tanks--this alone is insufficient, and competition in numbers of tanks is no answer either. There are technical developments today which improve antitank combat in a way which almost represents a qualitative leap.

On the second point, Buelow's core thought is, after all, correct, and has in fact meanwhile become a subject of discussion in the Bundeswehr: we must utilize our reservist potential, these approximately 1.5 million trained people. At the moment they are trained to represent troops in being for the few months of their active duty, and then it breaks off. What they have

learned and what they have been trained for is then really, for all practical purposes, no longer called for. This thought of Buelow's which sometimes gets put, wrongly, under the heading of "militia," is conclusive to me, and should be pursued further.

ZEIT: The first reaction to the Buelow paper from the SPD parliamentary delegation really didn't sound so calm as your present remarks. There was talk then of fantasy.

Vogel: What was said was that whoever demands the unilateral withdrawal of the Americans is dreaming. However, Buelow precisely did not demand this.

ZEIT: What does the SPD concretely visualize as "a new phase of dententë"--which is a phase that the Foreign Minister also uses?

Vogel: We visualize striving for solutions in many fields in which the enlightened self-interests of both sides coincide.

ZEIT: Thus far, even the present government would not contradict you.

Vogel: Yet we've come to a standstill for some time. And this even though this government has been many times more generous than we were in financial concessions to the DDR--consider the billions in credit. This government has reached a swing agreement with the DDR which is the most generous ever.

ZEIT: You oppose this?

Vogel: No, I'm for it. I only ask, what have they really gotten underway along this route, where have they achieved solutions?

ZEIT: What solutions do you regard as possible?

Vogel: I consider it possible, for example, for us to achieve progress in negotiations with the DDR in the fields of individual travel and of travel ages.

ZEIT: Lowering of the travel age over there?

Vogel: I consider this possible. I also see possibilities for movement in the field of improvement of railroad travel; I see possibilities, as far as Berlin is concerned, in regard to the extension of municipal-railway service, especially in the direction of Potsdam, also in the environmental sector. I see possibilities for us to sound out, as we are doing now in the field of chemical weapons, whether confidence can be build and the danger of conflict reduced with full safeguarding of loyalty to the alliance.

ZEIT: How do we get the DDR to agree to this?

Vogel: In some cases the ground lie in the substance of the matter itself. In others we must behave exactly as we in fact do elsewhere in our international relations: we must take a look at the other side's wishes and,

where it seems justifiable to us, employ their fulfillment as a means to the realization of our own wishes. With this object in view, why shouldn't we make the existence of the registry station in Salzgitter an object of negotiations?

The same holds for the Elbe boundary. This whole Elbe discussion has shown that neither a boundary running along the east bank nor one running through the middle is imperative. The wonderful maps, some of them, have a boundary line thicker than the whole Elbe. I don't in the least understand why we couldn't talk together reasonably, and on this occasion solve not only the Elbe problem but also still other problems--in the L bebeck Bight, for example.

ZEIT: But you would stay firm on the demand to elevate our Permanent Representations into embassies, and to recognize DDR citizenship?

Vogel: The Permanent Representations questions is explicitly answered in the Karlsruhe [Constitution Court] decision, and under our Republic's law it is, for this reason alone, no longer an open question for us. In the other matter, we are completely in the position, and completely prepared, to consider the DDR, which we have recognized as a state, also as a state which exercises sovereignty over persons. There is absolutely no state which doesn't, in addition to territorial sovereignty and executive power, also have jurisdiction over persons. We're prepared to respect this. But German nationality cannot be called in question.

ZEIT: With your list of what you consider desirable and possible, are you also thinking of extension of the short-range border-traffic arrangements to the large cities near the border such as Hamburg, Braunschweig and Hannover?

Vogel: Yes, we've had a lot of success with that, if you think of the situation of 1970-1971. Millions of meetings have been made possible. But this is still not the optimum, it must go still further. From my many private trips and talks I know that this is also the most important thing for the people in the DDR. It would also be in the DDR government's interest, by the way. For the desire and pressure for emigration would slack off considerably if people could travel more easily and with fewer bureaucratic problems. The end-state I have in view here is the arrangements on the Hungarian-Austrian border. I know it's all harder on the German-German border, but this is the goal I have in view.

ZEIT: No fundamental alternative to the present government's policy is apparent in this. You can at most say you want to pursue these goals with greater determination.

Vogel: A federal government which, like the present one, is letting a discussion about Oder-Neisse line run wild is not going to be able to bring off such a policy as I have just sketched. It will evoke mistrust in east Europe, in the DDR, and mistrust also with our western, northern and southern neighbors.

A government that proclaims that the first man of the DDR is heartily welcome as a visitor, but which at the same time says that the second man in the DDR may be received by the President, not in his official chambers, but only at a restaurant or in the Parliamentary Club--a government with which all this can be engineered by nationalistic pressure groups, without the Chancellor's being able to put things right, won't be able to get much going.

ZEIT: It's not just a matter of the intentions and the abilities of a government, but also of its leeway for action. In Ostpolitik, the latter is limited by the two superpowers. But even in domestic policy it is restricted by many factors. What justifies the hope that a ruling SPD would take care of unemployment quicker and better than this government?

Vogel: There are factors in the world economy that play a part in this high unemployment, and there are also domestic factors which are not subject to the direct influence and guidance of a federal government. To state this, however, also implies that one shouldn't make the Schmidt government responsible for all past developments, as the present government does. In any case, there is an essential difference between the present coalition and us: the present coalition says overcoming unemployment is in the last analysis a matter of the free play of market forces, which the market must straighten out. We don't believe the state can take the place of the private sector and take all this upon itself. But we say that, with mass unemployment of 2.2 million, the community--the federal, state and local governments--must do what lies in their power to push this figure down.

ZEIT: And how?

Vogel: First, we want to support and not hinder the process of a reasonable and gradual shortening of the work week. This government prides itself on the addition of some 100,000 jobs. That amounts essentially to the jobs that were achieved through the labor struggle of 1984, against the bitter resistance of the Chancellor himself, in particular: "stupid," "absurd," "crazy."

ZEIT: The 100,000 jobs came into existence after the labor conflict?

Vogel: The Chancellor reckons it up for us over and over: 100,000 jobs have now been added. The unions credit these jobs entirely to the shortened work schedule. Others are talking about 40 or 50 thousand. I suspect the truth probably lies around 70 or 75 thousand.

ZEIT: Does this mean the 35-hour week is the goal?

Vogel: It means the 35-hour week remains a goal. Secondly, the wild-eyed cutbacks this government has undertaken are not only socially unjust, but they are also economically very questionable, because they have decreased domestic demand, and without stable domestic demand we are not going to achieve any progress in combatting unemployment. This is proved by the simple fact that the rate of private investment remains at an absolute low.

ZEIT: Which cuts would you reverse?

Vogel: In the first place we would reverse the cancellations and cuts for the unemployed. We would reverse the cuts in the Federal Training Promotion Law, which especially disadvantage the sons and daughters of working people, and also cuts in aid to dependent children and for the disabled. Furthermore, we would change the socially unjust child exemptions into a higher, consolidated child subsidy.

ZEIT: Would that lead to a big jump in purchasing power?

Vogel: Yes. Four billion more will be added, because we will correct another case of particular social injustice, namely the exclusion of mothers who bore and raised their children in the wartime period and the postwar period from credit for the child-raising year.

ZEIT: And how would you finance this?

Vogel: We're financing it first by charging those with high incomes a supplementary tax, and by other tax measures.

ZEIT: How high is the supplementary tax to be?

Vogel: The supplementary tax would come to some 4 billion a year. The other tax measures would yield some 2 billion. This would be a total of 6 billion. But additionally, the budget would get relief on the other side from the "Work and Environment" project, which would give us leeway.

ZEIT: And the third point of your economic and employment program?

Vogel: We would support mid-sized and small firms more strongly than is now happening. All of us have learned that the middle-sized and small enterprises are often more stable in employment, and more flexible, than the big and very big ones. Here it's primarily a matter of equal tax treatment for their investments.

ZEIT: Investments: this means buying machines, and yet some of your economic planners want a machine tax. Do you want to favor investment on the one hand and on the other hand punish investors?

Vogel: Now we're at point four, at the question, whether we can in the long run hold on to the procedure of measuring the firms' contributions to the social security system by their wage bills, or whether we don't have to seek a measurement basis that is fairer and more favorable to employment. The present measurement, based on the wage bill, means that firms that are fully rationalized throughout, which get along with few wage workers, pay disproportionately modest contributions. A refinery, for example, has a wage bill of a few percent of its sales, and therefore pays modest contributions. Conversely, service operations, which are wage-intensive--artisan shops, restaurants, barbers--for which the wage bill amounts to a many-times greater percentage, pay disproportionately much. This is unfair overtime, and it also inhibits employment, since the new jobs we need must arise preponderantly in

the services sector. Our answer is, let's seek a new measuring-rod. This has nothing whatever to do with any machine tax. The issue is a new measuring-rod--perhaps value added. This would mean that someone that's operating wages intensively in services would get relief, and someone who automates, who thoroughly rationalizes, and thereby has higher returns and higher value added, is not punished, but is called upon according to the measure of this ability to pay.

ZEIT: There is the objection that the most innovative sectors would be the worst hampered by this tax.

Vogel: You'd have to calculate that in detail for each individual case. I don't believe that a big auto concern, for example, would let this consideration prevent comprehensive rationalization measures. And even if such were the case, I'd say, doesn't the creation of new and additional jobs in the services sector also have high priority? Do we want to have millions of people living long-term off social programs or at least off unemployment payments?

ZEIT: Now, presumably, comes the "Work and Environment" project as the fifth point.

Vogel: Yes, indeed. This project combines two things, the creation of jobs and a big effort for better environmental protection. The financing looks like this: for each kilowatt-hour or power or equivalent energy, half a pfennig; for each liter of gas, two pfennigs. This yield receipts of about 4.5 billion. This 4.5 billion would, according to our plan, be made available to the Credit Institution for Reconstruction, which could mobilize some 20 billion a year by means of interest relief and subsidies. This is no employment program and no flash in the pan, rather this is an urgently needed effort to change structures, an effort that must persist for many years.

ZEIT: What will it accomplish?

Vogel: There is for example the issue of the old waste dumps, which are poisoning our soil in a very serious way. There is further the question of removal of sulphur from stack gasses, of filtering out nitrogen oxides, of purifying wastewater, and of measures for restoring already destroyed environments. This program would also produce a big boost for a sector of technology in which we really are somewhat behind, and that is environmental technology. Then there would also be a big international market.

ZEIT: The government says it is doing what is economically correct and at the same time also what is most useful for employment. It proves this with a number of facts; growth, price stability, and trade balance have shown positive trends: unemployment has not been rising for quite some time as sharply as it did in times of Social Democratic government. The coalition disputes your contention that your employment program--in any form whatever--is economically correct and will permanently provide jobs.

Vogel: All the numbers and figures the government cites do not alter the fact that--although profits have risen enormously, which I'm of course not sorry about--real wages have fallen. And that the investment rate--I'm not going to tire of saying this--is at a low point. Unemployment, on the contrary, persists at absolute peak levels. Or rather, it's still getting worse, since the number of long-term unemployed, the number of those who have gone completely through their unemployment insurance and also their supplementary benefits, is getting bigger and bigger.

And something else. The government says it is in first or second place world-wide as to inflation rates, and in second place as to growth rates. But what's new in that? Even in the most difficult years, 1981, and 1982, Helmut Schmidt held the same rankings. Kohl isn't doing a smidgeon better.

ZEIT: Which could lead one to suspect that trends in these areas are relatively independent of the government's policies of the moment.

Vogel: I said at the start, and I'm happy to repeat it, that I'm not raising the appearance that a Social Democratic government would have unlimited leeway; it wouldn't be alone in the world.

But here is the diametrical difference. We say mass unemployment is no law of nature, and mass unemployment is also not just a summation of individual misfortunes - though this is bad enough in itself--but rather it is a disease of society. Poisons penetrate into our social organism. When you read what has now happened in Birmingham, what took place in Liverpool--there nearly half the young people are without employment and without hope. Well, who's going to assure us that someday jobless young people here too-- and 15 percent of the 20 to 25-year-olds are unemployed--won't go the same way?

We're not talking about a flash in the pan, but about a great social effort, which I would compare with the elimination of the housing shortage after 1945. Nine million dwelling units were lacking then. Well, were they created simply by the free play of market forces? Did we say, those with money get places to live, those without stay in their emergency shelters? No! At that time, we - federal, state and local governments--undertook a huge community effort and created millions of dwellings, by pumping immense sums--I don't know if 300 or 400 billion comes anywhere near the mark--from community funds into housing construction. God knows the challenge of mass unemployment is comparable to the challenge of the housing shortage of that period.

ZEIT: If you are expecting a turnover of power in 1987, are you thinking of a government of Social Democrats alone, or will you have to look around for coalition partners?

Vogel: I see no realistic possibilities for a coalition either on the one side or on the other. The FDP has developed into such a far-right business party that I can't make out how it would be able to bring itself to cooperate, for example, in the important field of combatting unemployment.

ZEIT: And the Greens?

Vogel: As late as a year ago I would have said the Greens had a good chance of becoming a political force with staying power, which would turn up in the next parliament too. I have had to modify this judgement. The Greens posed legitimate questions. They are not an expression of the malevolence of 2 million voters, but rather the expression of the fact that in our democratic society the errors those in office make are subjected to criticism and then also to correction. But their answers are not very convincing. In some fields they have no answers at all. Their lack of structure indicates they are hardly capable of recovering from defeats and setbacks. Rotation is working out more disadvantageously than was expected: with it, all continuity breaks off. On all these grounds I consider it much more likely today that they will no longer be part of the next Bundestag. We'll have to try to win a majority by ourselves - an ambitious aim, but not unachievable.

13070/13068
CSO: 3620/63

POLITICAL

FEDERAL REPUBLIC OF GERMANY

DECLINE IN APPEAL OF SPD, UNION YOUTH ORGANIZATIONS NOTED

Bonn VORWAERTS in German 3 Aug 85 p 7

[Article by Ruth Haenschen: "Youth '85: Cheerful, Free and Easy - One-on-One Competition is the Name of the Game: No Time for Political Commitment: Membership Downturn Especially in the DGB-Youth"]

[Text] Wednesday evening in the "Quaker Neighborhood Home" youth center in the Cologne working-class district of Ehrenfeld. The Turkish social worker Ali sits at the door collecting admission fees for the disco. German, Italian, and Turkish young people go by, exchanging a few German or Turkish words with Ali before they disappear into the disco cellar.

A boy of perhaps 12 is dispensing entry stamps on backs of hands and forearms. A girl talks with agitation about her annoyance with vocational school teachers. A 17-year-old with bodybuilder's biceps deposits a firearm with Ali: an everyday affair at the youth center. All the young people here come from worker families, are in apprenticeship, or attend terminal junior high schools. Many are unemployed.

Nineteen-year-old Luigi on his contemporaries: "They don't know much about the--what's the name?--about the Falcons or the DGB-Youth. If you explain it to one of them, he'll tell you, 'Never heard of it,' or 'What's the idea?'"

"Political tradition is dead in the worker family," says the DGB national youth secretary Klaus Westermann. Earlier it was a matter of course: like father and mother, the son and daughter went into the union, into the Social Democratic Party, or--before 1933--into the Communist Party as well.

Disinterest in Organized Youth Work

Today worker-youth associations are increasingly meeting with disinterest or rejection among their clientele. Thus, the biggest worker-youth association in the Federal Republic, the DGB-Youth, lost 4 percent of its 1.2 million members between 1981 and 1983.

At that rate the membership shrinkage was more than twice as high among young people under 25 as it was among adult union members. Hardest hit were the Metals Industrial Union with a loss of over 10 percent and--as the absolute

leader in the negative figures--the Printing and Paper Industrial Union. The latter lost in one year over 12 percent of its youth members.

Trade unionists are not worrying only about the youth that is staying away. Even the young men and women that sign up for membership are by no means proving to be model union members just on that account. Klaus Westermann states, "So we have at best 1 percent of really active members. The others join us the way you take out insurance with a well-known company."

Saturday evening at the entrance to a discotheque in the Cologne inner city. From all directions young people are streaming up, trainees and young workers, salesgirls and hairdressers, but hardly ever an academic or technical high school student, for they seldom stray hither to the working youths' rendezvous.

They're between 15 and 25, the girls in graffiti pants and sweatshirts, the boys in tight-to-bursting tube-jeans and leather jackets. They want to be "cheerful, free, and easy," to "drink a quiet beer," and "not rack their brains over complicated questions."

Our complicated question goes: Have you ever had anything to do with worker-youth associations like the Falcons and the DGB-Youth?--No, they haven't. Don't want to either. For "politics doesn't interest me," or "rotten parties, they do what they want anyhow, they're just bums."

Werner Kindsmüller, national chairman of the "Socialist Youth of Germany"--the Falcons--expresses it more politely: "It has certainly become considerably more difficult today to get it across to young people that political commitment makes sense or has a chance to succeed."

The second biggest West German working-youth association also has problems with working youth. The Falcons were able indeed--according to their own reports--to hold on to their membership of around 150,000. But among them are more and more academic and technical high schoolers and fewer and fewer terminal junior high schoolers and apprentices.

The same thing is happening with the socialist "Youth Friends of Nature." With environmental and peace politics, it can indeed attract graduates of higher schools. But it is not going to pull in many working young people with "green" slogans.

All the working-youth associations have had to learn that the worse the economic and social situation of the young working people, the less their interest in political commitment. And the condition of working youth is more miserable than for a long time back.

About three-quarters of a million young people under 25 are presently unemployed, the majority of them for longer than a year. About half of these young people must get along without any kind of government financial support.

True, training for a trade is still guaranteed for most working young people through government subsidies. But that in no way means a secure livelihood.

For at least one-third of all trainees find, upon completion, no job in the trade they have learned. Working young people are harder hit by the economic crisis than most other segments of the population. Many must recognize at the age of 15 that this society offers them few chances.

The reaction of working youth is clear: They think very little of political promises, they don't believe in solidarity, they won't listen to slogans like "in unity there is strength." Individual competition is the name of the game.

Ewald Haffner, director of the "Quaker Neighborhood Home" youth center, has observed, "To get anywhere, everyone here has to really fight his way through the unemployment situation. They have no time to do anything in common with others in political organizations. The task is to be first if possible, to be fast, and to make the best of things for oneself."

Helplessness of Officials

Twenty-year-old Peter has made the best of things for himself. He is a helper in a horticultural firm. Previously he was unemployed. He broke off his apprenticeship because his boss had cheated him out of his in any case low pay. From this Peter learned: "If I don't get my rights, I'll go after my rights, if necessary by force."

He "wouldn't dream" of relying on the union or anyone else. And yet Peter is no apolitical youth like most of his friends. Peter has--with the help of the NATIONALZEITUNG--found his political orientation. For him it's clear as daylight: the Turks, "those shits are to blame for everything; if we throw them all out, we'll have a supereconomy again in three years."

In a macabre sort of way the neo-Nazis succeed in appealing to working youth emotionally. For they hit the young people on the most sensitive nerve: unemployment. For the trade unionists and the Social Democrats, on the other hand, it is becoming ever more difficult to draw young people out of their isolation and give them a political "home." Policy-makers in the youth associations are helpless.

Werner Kindsmüller: "We really don't even know where to contact the unemployed young people. We can hardly get to them in school or in the leisure realm."

And Klaus Westermann of the DGB-Youth doesn't know how the small volunteer staffs are supposed to be able to worry about the unemployed as well. As a result, precisely the unemployed young people, who most need to be cared for politically and as human beings, are left to themselves.

Even for the problems of youth at work, Westermann has no pat solution. More and more young people are completing their training in small artisan firms where there is no union structure. Anyone who gets the idea of joining a union there will have trouble with his boss.

Things look little better in the big firms, despite shop committees and youth representation. The apprentices' fear of being overreached is so great

that they prefer to dispense with union commitment. Westermann: "Mass unemployment just has a pretty good disciplinary effect."

To be sure, the worker-youth associations cannot put the whole blame for their dilemma off on adverse economic conditions. For years they had failed to be concerned with youth, spending their time on ideological squabbles instead.

In the sixties the Falcons excluded whole youth groups from their association, because they had demonstrated against atomic weapons along with the communists. The DGB-Youth bored its members in the seventies with endless rows about whether the fellow-traveling "Socialist German Worker Youth" would be allowed to be active in the unions or not.

The officials made a lot of noise. The young people were left in the lurch. In the unions they seemed to be of interest only as pocket votes for the shop committees. Thus, especially in the big firms, union members "brought the apprentices around to joining the union with blackjack arguments," thinks Klaus Westermann, "so we can't be surprised if they don't become good union men."

The bureaucratic union administrative machinery often nipped active political work by youth in the bud. Only the rapidly sinking membership numbers among the younger generation shook the officials awake. Now they are out looking for young people. But these are no longer interested. Klaus Westermann: "Working youth is nowhere politically committed. They're joining the football club, doing bodybuilding, fitness, modern dance, things like that."

Nevertheless, there are hopeful beginnings. For example, under Manfred Heimann in Dortmund. His DGB-Youth group has achieved fame in union circles. The reason: it is open to young people of all trades. Even Turks join in here. Indeed, even unemployed people have come. And the whole thing has been in operation "for two years now with good results," as Dortmund DGB-Youth Secretary Ernst Söder proudly reports.

Heimann's group represents an exception--even in a working-class city like Dortmund. The norm is for working youth to stay away even there. The number of young union members has fallen in the last two years from 23,000 to 19,000. Out of 60 shop-based youth groups at the end of the sixties, just 10 still exist today.

Now and again the DGB-Youth begins timid attempts to reach unemployed youth. Last year it offered the unemployed, "completely without obligation" a week-end in the union-owned vacation home, reports Ernst Söder. Result: of 22,677 unemployed under 20 years old in Dortmund, two showed up.

13070/13046
CSO: 3620/57

POLITICAL

FEDERAL REPUBLIC OF GERMANY

STUDY SHOWS WORK, BUT NOT UNIONS, IMPORTANT TO YOUTH

Bonn VORWAERTS in German 28 Sep 85 p 18

[Article by Ulrich Schauen: "Study by Goettingen Sociological Institute Shows: There is No 'No-Time-For-Work' Generation; High Value Placed on Work--Disassociation from Unions"]

[Text] A new study of youth contracted for by the German Trade Unions Federation, the Hans Boeckler Foundation and the Federal Family Ministry sweeps away favorite media judgments: most young people do indeed "have time for" work--if they can get it, and if the work's content is right. There can be no question of a broad-based "shift of values" to "post-materialism" and "alternative lifestyles" among young blue- and white-collar workers. "Organization men," it is true, as well as active union members, are in the minority.

In hours-long individual talks with young people, the researchers of the Goettingen Sociological Research Institute tried to find out where the young people place their personal emphases within the triangle of leisure, work and family. To this end they selected eight groups of 19- to 25-year-olds from "typical" life and work situations: blue-collar workers from big and small firms, white-collar workers in banks and insurance firms, and the unemployed as well. The sociologists purposely left university students and graduates out of their inquiry.

The result" in the lifestyle of the great majority of the respondents, work has a high value. For all but a few, however, career or income is not the most important, but rather having a substantively satisfying activity in which they find recognition, integration and self-fulfillment.

The researchers distinguished seven types of young people in their conversations:

--A fifth of them concentrate in their self-fulfillment primarily on work and profession.

--Another fifth, in the majority female young people, also find work very important, yet seek fulfillment just as much in their personal lives. Most in this group already have a steady partner.

--Only 6 percent of the respondents--chiefly the bank and insurance employees--signified that a traditional professional career occupied the center of their life-planning. As a rule they defer leisure and private interests in favor of professional advancement and the social prestige associated with it.

--Only 4 percent see their ideal future in an "integration of work and life" as attempted in "alternative projects." In these they chiefly seek an experience of community. It is striking that most of them, after attending more advanced schools, had difficulty in starting their working life, and are now apparently attempting to turn these negative experiences in a positive direction.

--For a bare quarter of the respondents, their own family has priority--which does not, however, mean that they make no substantive claims on their work. The workplace is for them first and foremost a place of social communication. They invest little, however, in their on-the-job advancement. It is primarily unskilled blue- and white-collar workers, and women, who are to be found in this group. Many of the women plan to give up their work in order to devote themselves to their families, but also because they have had frustrating experiences on the job.

--A full quarter of the young people regard their leisure arrangements as the essential thing and consider work less important. Most of them have as yet no steady partner and still live with their parents.

--Six percent have given up trying, or have never tried, to find satisfying work, and instead cultivate their creativity and drive for achievement in their leisure time. The social contacts that the workplace gives them are nonetheless important for them.

In the researchers' view, the young people cannot easily be forced into a work-to-live vs live-to-work dichotomy. Only every fifth of them values income most highly at work. Such a "materialist attitude" is, it seems, "almost always due to external conditions, the experience of crisis situations," write the Goettingen researchers.

More than half the young people complain of failures in the workplace and of difficulties in entering into working life, which are not least ascribable to the economic crisis. One-third do not work in their originally desired trade.

The researchers had problems in rounding up enough young research subjects in the "alternative projects." For there they found--except for apprentices--chiefly 30- and 40-year-olds.

The high value the young people set on their work stands in striking contrast to their great disassociation from the work of the unions--and that regardless of whether or not they are members. An annihilating conclusion for the unions.

True, 9 out of 10 young respondents consider the unions in a very general sense to be necessary, as a counterbalance to the employers. But around 80 percent express indifference, criticism, or at best benevolent dis-association, with regard to unions, or become members as a form of "Insurance" (20 percent), to be prepared for all eventualities.

The one-third of the young people that expressed criticism often found fault with the unions as big bureaucratic organizations, as a hierarchically arranged, anonymous set-up, but they also occasionally complained of the "privileges" of union officials.

On this subject, the DGB board member Ilse Brusis says, "The democratic structures of the unions have apparently not been sufficiently communicated to the young people." And "obviously there are young people who have an interest in unions, but never find a union member to interact with."

In the view of the Goettingen researchers, however, representation of worker interests by the unions has even graver shortcomings: while the young workers are, as it seems, most of all interested in satisfying work content, the unions are still continuing to concentrate on income security. In Ilse Brusis' words: "We must, even more than hitherto, address the qualitative issues of work."

13070/9190
CSO: 3620/58

POLITICAL

FEDERAL REPUBLIC OF GERMANY

BUDGET, DEFENSE EXPERT STAVENHAGEN JOINS FOREIGN MINISTRY

Munich SUEDEDEUTSCHE ZEITUNG in German 3 Sep 85 p 5

[Article by ub: "A Budget Expert Joins the State Department" Lutz Stavenhagen (CDU - Christian Democratic Union) to be in charge of European technology policies--From our desk in Bonn]

[Text] The future secretary of state in the Foreign Ministry, Lutz Stavenhagen, is to be concerned primarily with the international coordination of promoting top technologies. Although the party representative--appointed, in a surprise move, by Chancellor Helmut Kohl as the successor of foreign policy expert Alois Mertes who passed away in June--does not have any experience in matters of foreign policy, the State Department feels confident that he will fill the post well.

On behalf of the 45-year-old economic expert from Pforzheim, it was noted that he has clearly proven himself to be a supporter of joint European efforts with regard to technology policies within the framework of "Eureka" plans. Stavenhagen is also welcome in his future post as a budget expert. The diplomatic service has to depend on higher financial contributions, in order to be able to realize its conception of a more effective operation of the foreign agencies.

At present, Stavenhagen represents the CDU/CSU faction (CSU - Christian Social Union) in the Budget Committee. He is also an acting member on the Committees for Defense and Science. A certified business major by profession, he has for years worked in the Budget Committee of Parliament with research advancement of the Government with the Army sector "Acquisitions." Stavenhagen is speaker of the Baden-Wuerttemberg representatives in the faction of CDU and CSU.

Politically, the future secretary of state has come forward within the Foreign Ministry (besides Juergen W. Moelleman of the FDP - Free Democratic Party) as a clear defender of further expansion of nuclear energy in the Federal Republic. He was also among the few who openly supported the controversial Amnesty Law for party financing, which the coalition has retracted after massive public protests and majority rejection in the FDP in the spring.

Bonn took notice that Chancellor Kohl, similarly to the Geissler succession, has decided in favor of a maverick solution. Among the expected candidates as successor to Alois Mertes were the parliamentary undersecretary in the Department for Economic Cooperation, Volkmar Koehler (CDU), and the foreign policy speaker of the union faction, Hans Klein (CSU). Very early on, the CSU had also discussed the acting faction leader and foreign policy expert Volker Ruehe (CDU). However, Ruehe, who mainly because of his remarks with regard to the Polish west border, has for some time come under attack by right-oriented party circles, did not want to relinquish his position within the faction.

13011/13046

CSO: 3620/66

POLITICAL

FEDERAL REPUBLIC OF GERMANY

TELTSCHIK PLAYS UNUSUAL, MAJOR ROLE IN FRG FOREIGN POLICY

Frankfurt FRANKFURTER ALLGEMEINE ZEITUNG in German 8 Nov 85 p 12

[Article by Claus Gennrich: "Poverty in Parliament--Riches in Office" / Teltschik: Foreign Policy Expert with a Future--in the CDU/CSU Parliamentary Caucus?]

[Text] Seldom, if ever, was an official in the Bonn Federal Chancellery as important in drafting and formulating foreign policy as is Kohl's Undersecretary Teltschik. His influence makes him an object of dispute in the coalition. It is not a matter of friction between the coalition partners, CDU/CSU and FDP, for which Teltschik is responsible; it is annoyance on the part of former FDP chairman Genscher, a personal rather than an objective political matter. Genscher's anger is discharged in a roundabout way: in remarks from the Foreign Office, and in the foreign minister's complaints to the chancellor, which Kohl receives with some amusement and gauges as confirmation of his correct choice.

If the FDP embraces Genscher's displeasure as its own--as Bavarian Land chairman Brunner did just now with advice to Kohl--, it is not out of conviction. It is more of a concession to the foreign minister, whose anti-Teltschik hangup is already considered disquieting by some Free Democrats. Brunner knows that Kohl is not about to replace his department chief for foreign and security policy with someone from the Foreign Office who would come from Genscher's "stable" and would serve as a lever for the FDP minister.

Brunner's remarks on the personnel structure of the Federal Chancellery may be understood as appeasement of the foreign minister, since the FDP politician from Munich also said, almost in passing, what is still troubling Genscher: that German SDI interests are guaranteed through correspondence between Bonn and Washington. This, however, is what Teltschik also has been saying for months, when he mentions correspondence as one of the various possibilities of an intergovernmental SDI agreement.

How did Teltschik achieve his importance? Before he became, at age 42, chief of the department for foreign and inner-German relations and external security in the Federal Chancellery after the change of government in 1982, he had helped for many years to formulate Kohl's foreign policy ideas and activities, had written his speeches for him, and

accompanied him on his travels. He comes from the Berlin school of political scientist Loewenthal, whose assistant he was for 2 years after completing his studies with emphasis on foreign and East-West policy. His Otto-Suhr-Institute background even now comes through in Teltschik's thought processes: in some ideas he is not far from Genscher's line. Teltschik was never at home on the "extreme right." From 1970 to 1972, he steered the working group for foreign and Germany policy in the Bonn CDU headquarters. From there, Kohl brought him to Mainz for 5 years for federal policy tasks. Teltschik wrote the foreign policy speeches for the then minister-president of Rhine-Main-Palatinate in the Federal Council. In 1976, when Kohl went to the parliament in Bonn, he took Teltschik along as office manager. With the exception of Kohl's special adviser, Ms. Weber, no one has worked so long and so closely with him as Teltschik.

What bothers Genscher is Kohl's confidence in Teltschik, since it lowers his own influence. Nobody denies that Teltschik is a "thinker," and no one considers him a mere apparatchik. Therein lies danger for the official. Latent suspicion by others leads to judgments such as the statement by the FDP chairman of Baden-Wuerttemberg, Doering, who wanted to recommend himself to Genscher with the remark that Teltschik is a megalomaniac. Whenever the undersecretary speaks publicly, he smilingly mentions his contacts at the White House; that rankled Genscher. The foreign minister took his revenge when, more than necessary, he used occasions like the preparation for Bitburg, and thoughts on SDI, to make jibes against dilettantes.

In the chancellery, also, Teltschik does not conceal his opinions; he is deputy to the chancellery chief, and during Schreckenberger's time, occasionally he did not hold back criticism and suggestions. All in all, he is a CDU politician who survived fights with the CSU and who never loses sight of domestic policy. For this very reason he is indispensable to Kohl.

Teltschik, who knows, and is known by, the parliamentary caucus, has built up so much competence and outside influence for the reason, also, that the CDU/CSU parliamentary caucus has a dearth of foreign policy experts. Poverty in parliament is reflected as riches in office. For the CDU/CSU overall, this is not a cheerful happenstance. It became even more evident when state minister Mertes, and the chairman of the parliamentary foreign policy committee, Marx, passed away. Mertes had exerted great influence on the public. Marx, although not very visible in recent years, had much knowledge and experience. The gaps were filled in name only. So far, state minister Stavenhagen has remained colorless and concentrates on European questions. They are mostly of a technical nature. There seems to be no occasion for conceptual designs and their presentation. The new committee chairman, Stercken, comes across like a worthy laborer; hardly anyone knows him outside of Aachen and Bonn. Disarmament spokesman Todenhoefer is not taken completely seriously everywhere; Count Huyn's sharp tongue deprives him of influence. Besides the count, the CSU offers the Munich representative, Klein, a former journalist and moderate

politician, and Mrs. Geiger, who is well-known, but whose ranking seems to be limited.

The only one with foreign policy weight is deputy chairman of the parliamentary caucus, Ruehe, Kohl's man from Hamburg. He has the chancellor's ear, but is not always in harmony with the chairman of the parliamentary caucus, and has difficulties with the right wing of the caucus. Outside of the Bonn apparatus, he has hardly made a lasting impression on voters so far. Teltschik works with Ruehe and Klein through frequent talks. That way, he stays in touch with the parliamentary caucus. Occasionally, he informs Dregger on foreign policy developments in the chancellery. Now and then, the department chief makes an appearance at the foreign policy working group of the parliamentary caucus. He reported on SDI to the appropriate parliamentary committees.

Perhaps Teltschik's relations with the parliamentary caucus will not be without effect on his future. Although he says he is not looking for a seat in parliament, he has given speeches at CDU meetings and enjoyed the response. He does not want to give up his position in the chancellery, or he would lose his newly won civil service advantages. At most, Kohl could dismiss him from service to pursue a political career, or better yet: give him leave in order to participate in the parliamentary election campaign, for example. At present, Teltschik avows that he enjoys his work at the chancellery. After 6 years' experience in the parliamentary caucus as Kohl's office manager, he has no illusions, in case of winning a parliamentary seat, about being given immediately a task commensurate with his qualifications. He knows that at first, one starts out as a back bencher in parliament. He could not become deputy chairman of the parliamentary caucus with foreign policy authority right away. Teltschik knows the rules of the game, under which a newcomer to parliament would have difficulties even to get on the foreign policy committee. All this is clear to this political official.

But what would happen if Kohl should decide to set him free for the election campaign, just in case, in order to open the way for him into the parliamentary caucus not blessed with many foreign policy talents? This would presuppose that an electoral district would offer the candidacy to Teltschik. Teltschik comes from the electoral district of Tegernsee Tal. That is a CSU electoral district. Teltschik, who was RCDS <Christian-Democratic Student Ring> chairman in Berlin and then joined the CDU, is still so familiar with politics in his Tegernsee home district that he is also known there. It is a "safe" electoral district for the CSU, independent of whether the coalition in Bonn retains its majority or has to give up its governing power. Whoever is a candidate in Tegernsee, gets into parliament. By chance, this electoral district happens to be open. However, state secretary Stoiber is interested in it. But what would happen if the Tegernsee electoral district should hit upon the idea of offering the candidacy to Teltschik? Of a certainty, he would at least think about it. One can proceed from the premise that there is many an important politician in the CSU Land group in parliament who would not

like to see Member of Parliament Stoiber move into Bonn. Why shouldn't Teltschik make it into the parliamentary caucus of the Union parties (CDU/CSU) via the CSU? If the coalition wins the election, the chancellor could --in theory at least--end Teltschik's leave status and recall him to his office. An undersecretary with civil service status could waive his parliamentary seat. Also conceivable is the idea of a state minister Teltschik in the chancellery, having both executive power and a parliamentary seat. Closeness to Kohl would be retained, possibilities for policy making would grow, and it would also benefit the chancellor, having his state minister anchored in parliament. Stoiber would be far away. Were the election to be lost, the parliamentary caucus would at least gain a foreign policy expert with a future. Genscher's annoyance may be fed by premonitions.

9917

CSO: 3620/91

POLITICAL

FEDERAL REPUBLIC OF GERMANY

SURVEY REVEALS POSITIVE ATTITUDES TOWARD DEMOCRATIC SYSTEM

Bonn DIE WELT in German 10 Oct 85 p 5

[Article by Guenther Bading, Bonn: "Positive Attitude Towards the State Has Grown Among the People; Ipos poll: 70 Percent of Interviewees 'Very' or 'more' Satisfied"]

[Text] A "clear increase in the positive attitude towards state and state activities" has been ascertained by the Institute for Practice-oriented Social Research (ipos) in Mannheim in the annual study commissioned by the Federal Ministry of the Interior on attitudes of the people towards current domestic policy. The results of the study fail to confirm above all the frequently expressed guesses concerning an increasing dissatisfaction with the FRG political system.

Roughly 70 percent of all interviewees are "very" or "more" satisfied with our democracy. However, in this connection considerable differences become apparent between the followers of the government parties, CDU/CSU and FDP, and the followers of the opposition parties, SPD and Greens. In the poll conducted from 1 to 14 June 1985 with 1839 representatively selected interviewees, 88.4 percent of the CDU/CSU followers and 80.1 percent of the FDP voters were satisfied with the democracy as against only 62.1 percent of the interviewees supporting the SPD and 41.5 percent of the Greens.

In the analysis of the different basic attitudes, according to ipos "the government-opposition pattern this year has developed a somewhat sharper outline" as compared to the 1984 study. A majority of the interviewees are inclined towards a system whose economic order can be described as free market, performance-minded and growth-promoting. But according to the opinion of the majority, human qualities ought to count for more in this society than pure performance. The citizens should participate in important political decisions. Provisions for old age and sickness of the individual, according to the survey, are concerns of the state. In case of doubt, environmental protection must be more important than economic growth.

In the question of whether or not this society ought to get along with as little police as possible or whether a strong police is needed that looks after security and order, advocates and those rejecting balance each other. In general, ipos finds, the SPD followers in their basic attitudes "are considerably

closer to the voters of the coalition parties, CDU/CSU and FDP, than to those of the Greens.

ipos combines the questions on state intentions from which approval and criticism of the state can be gauged. Hereby it was shown that the unconditional approval of the state, which in 1984 had been around 28.3 percent, has grown by 7.3 percent to 35.6 percent in 1985. Critical approval with 46.7 percent (1984) was almost unchanged with 45 percent this year. Last year, reservations towards the state were expressed by 14.7 percent, while in June of this year the reservations were only 12.4 percent and the number of interviewees with "strong reservations" against our political system and state action declined from 4.8 to 3.2 percent.

With regard to the question concerning the importance of political tasks and aims, top rank was assigned to fighting unemployment (86.5 percent) as it had been in the 1984 ipos study. In second place with 72.2 percent was the task of "fighting the dying of forests" and "effective environmental protection" (70.0 percent). On an equal level with it was the aim of "safeguarding pensions" with 71.6 percent. They were followed by fighting crime (60 percent), fight against narcotics (57.1 percent), fighting against price increases (49 percent), reducing the bureaucracy (34.7 percent) and improving protection of data with 30.2 percent. FDP politicians, who raised data protection to an important aim of their party, have to note with surprise that only as little as 15.6 percent of the identified FDP followers advocate this aim.

While most interviewees favor strict exhaust gas regulations, approval of the speed limit is far lower; in the case of car owners, the approval rate has declined to only around 45 percent. The ministry assesses it as a success that the exhaust gas regulation to maintain clean air, with an approval rate of 94.5 percent, was almost universally favored and also that 94.4 percent of the interviewed persons were aware of the tax breaks for low-polluting cars.

Concerning the question of the punishability of facial disguise during a demonstration, there are clear majorities: 72 percent want the punishability, among the CDU/CSU followers the figure is even 86 percent, in the FDP 79 percent, in the SPD 69 percent and among the Greens only 24 percent.

12356

CSO: 3620/81

POLITICAL

FINLAND

PROFESSOR EXAMINES SOVIET STANCE TOWARD FINNISH NEUTRALITY

Helsinki UUSI SUOMI in Finnish 28 Sep 85 p 11

[Article by Martti Haikio: "Dr Susiluoto Evaluates Neutrality Timetable: Neutrality Concept Tied to Soviet Policy"]

[Text] The Soviet "neutrality timetable" can be divided into at least four temporal stages. The word neutrality has meant very different things at different times.

This is the formulation of Dr Ilmari Susiluoto, who discussed neutrality from the Soviet Union's viewpoint at a seminar arranged by the Soviet Union Institute.

Neutrality in the 1950s was understood narrowly as wartime neutrality. The peaceful coexistence stage began with the 20th CPSU party congress in 1956, when neutrality was loosely linked--in a positive spirit--to the activity of nonaligned countries. In the Soviet Union it then meant opposition to war and imperialism, a loose alliance with progressive forces.

At the end of the 1960s and the start of the 1970s, a very clear change took place in the Soviet Union's policy and Weltanschauung, a change which also affected the meaning given to neutrality. Instead of the general approbatory tone in reference to neutrality, there began to appear in Soviet commentary more specific definitions of various types of neutrality. The Soviet Union's goal at this time was to make certain that "the allies were really allies," as Dr Ilmari Susiluoto described the change.

Symbolic Neutrality

Neutrality for the Soviets is a very symbolic and heavily charged concept the use of which is problematical. As an example, Susiluoto mentions "The Line," a work which appeared last spring under the pseudonym Yuriy Komissarov. In it are actually recognized the factors which contribute to the definition of neutrality in Finland's line, but there is no inclination to name the total package neutrality.

According to Susiluoto, Finns should ponder which is more important: calculating--in the manner of a lumberyard bookkeeper--the number of times the word neutrality appears, or evaluating to what degree the meaning of the neutrality policy itself has been fulfilled.

Susiluoto described President Kekkonen's neutrality policy as "descending the rapids on logs," in which the most important thing is not to count the number of logs but to stay on top of them. If some log threatens to crash into the rocks, you nimbly jump onto another log.

Neutrality as Linguistic Game

According to Susiluoto, use of the word neutrality is a Finnish-Soviet linguistic game in which it is particularly important to know the Russian frame of reference to which the word neutrality is linked. In the Marxist-Leninist world of the Soviet Union, neutrality is the "more adaptable and situation-dependent" concept in the "cement" of fundamental principles underlying the class struggle. The most significant thing about the neutrality concept is its symbolic value, the respect it is given in the battle between progressive and reactionary forces.

Neutrality can be given a very dissimilar meaning, depending on the factual relationship. For example, Susiluoto mentioned Sweden's neutrality which, on the one hand, is linked to U.S. military goals but, on the other hand, is spoken of favorably as an active and constructive phenomenon.

"Happy Country in Arms of Soviet Union"

Ilmari Susiluoto's lecture "The Soviet Concept of Neutrality" was heard at the seminar on "Continuity and Change in Finnish and Russian/Soviet Relations." The seminar was arranged by the Soviet Union Institute and held in Hauho on Thursday and Friday.

The seminar was a sequel to the one organized in Keilaniemi a year ago at which the opportunity for research on socialist countries was discussed.

Heard at Hauho were lectures on Bobrikov's goals (Tuomo Polvinen), Russian propaganda and the pinprick policy (Kari Immonen), the hostile portrait of the rightwing press 1941-44 (Heikki Luostarinen), the alternatives for Finnish-Russian relations in 1917 (Eino Ketola), the history and structure of Finnish and Russian/Soviet economic relations (Erkki Pihkala, Urpo Kivikari).

Comparing Finland as a part of the West in the concepts of Russians before and after the revolution, Licentiate in Philosophy Timo Vihavainen said that Finland is no longer an alien element in the body of Russia but a happy Western country in the arms of the Soviet Union. To the Russians, Finland today is a symbol of the positive aspects of Western culture, a symbol to which no anti-Western emphasis is attached, as when Finland was part of Russia and thus Russia's domestic political problem.

12327

CSO: 3617/16

POLITICAL

FINLAND

COUNTRY'S LEADING PAPER VIEWS BUDAPEST CULTURAL MEETING

Helsinki HELSINGIN SANOMAT in Finnish 17 Oct 85 p 2

[Editorial: "CSCE Culture"]

[Text] In the series of CSCE [Conference on Security and Cooperation in Europe] miniconferences, the cultural conference in Budapest should have a very important status and task for the simple reason that in all societies it is precisely culture which reveals the dominant intellectual resources of power--or powerlessness.

When, however, it involves a cultural conference controlled by state officials, there is reason to lower expectations to a realistic level. The visible results, at least, cannot be materially separated from the mindset which determines the boundaries of political practice in each country. Under such circumstances, it may be considered natural that Hungarian authorities disavowed the independent "shadow conference" supported by political protest groups. The opposite course of conduct would have been grounds for astonishment.

Is the cultural conference in Budapest doomed to failure then? The question is easy to answer: the Budapest conference has no actual goals, so that assessment of its significance remains open to everyone. The states' official representatives scarcely have room for movement over and beyond their own political values. Yet with a little goodwill one can avoid interference in matters the alteration of which presupposes major political upheavals. The formal success of the conference is thus in the hands of the cultural ministers and other cultural authorities.

This being the case, the actual outcome may depend on the interaction of the real makers of culture, the writers and the artists. Since they constitute roughly two-thirds of the 800 participants, there ought to be plenty of opportunities, to say the least, for building bridges and expanding horizons.

12327
CSO: 3617/16

POLITICAL

FINLAND

STALINIST PAPER COMPLAINS OF INCREASING TILT TO WEST

Helsinki TIEDONANTAJA in Finnish 24 Oct 85 p 7

[Commentary by Pertti Honkanen: "Finland Linked with the West Through Four New Agreements"]

[Text] The government has appointed a delegation to negotiate a general agreement on cooperation in research and development between Finland and the EC, the European Communities.

This means that we will simultaneously be entering into negotiations on four fronts on the creation of closer Finnish economic and scientific-technical relations with Western Europe: Negotiations on joining the EC countries' space organization, ESA [European Space Agency], are in progress, also Finland's full membership in EFTA is being discussed and in addition Finland is participating in discussions pertaining to the Lureka project.

Preliminary talks on the general agreement on research and development cooperation between Finland and the EC were engaged in earlier this year when the government Foreign Affairs Committee approved of the initiation of discussions in March.

According to a memorandum made public on Friday, the agreement would create a framework for cooperation, the specific content of which would always be agreed on individually, case by case.

The entire operational domain of EURATOM, the European Economic Community (EEC) and EC countries' nuclear energy organization, would become the agreement's domain of application. Cooperation in connection with the European Coal and Steel Community's (ECSC) operational domain would remain outside the agreement.

According to the memorandum, no subarea of research and development work would in principle be excluded from the range of cooperation. "The parties [to the agreement] will study all specific possibilities for scientific and technical cooperation," they say in the memorandum.

Implementation agreements to be made separately in each case later would determine the practical realization of cooperation each time. A joint Finnish-EC committee could be formed to promote cooperation in research and development.

EFTA and ESA

Foreign Trade Minister Laine discussed the agreement on research and development cooperation most recently in Brussels in September. Laine left for Brussels immediately after having announced in Helsinki that Finland would apply for full membership in EFTA. A delegation has also already been appointed for the negotiations on full membership in EFTA.

Finland's application for associate membership in the ESA, the EC countries' space agency, is, moreover, right now being considered at the ESA Council meeting.

The fourth and perhaps most important course in the creation of closer ties between Finland and Western Europe is the Eureka project, which was discussed at the official level in Bonn and concerning which the next ministerial level conference will be held in November.

Among other things, all this confirms the fact that Finland's full membership in EFTA is under no circumstances intended to be an alternative to the creation of closer Finnish relations with the EC; rather full membership in EFTA will clearly serve to raise relations with the EC to a higher level than before.

Questions

Such great speed in Finland's union with Western Europe raises many questions.

Will Finland demand that a clearcut line be drawn between military projects and objectives when cooperation in EEC research, space and Eureka is discussed?

The EC is a closed alliance whose many rules discriminate against countries outside the EEC, especially the socialist countries. This discrimination is reinforced by the stricter export bans of the United States and NATO countries' CEMA organization which apply to a very large part of Western technology. How will the cementing of closer relations with the EC through new agreement arrangements be reconciled with Finland's trade policy line?

In connection with the new agreement arrangements, how do we intend to protect Finland's independent power of decision and independence with respect to the West European supranational monopolies?

The leaders of the EC countries openly declare that the expansion of relations with the EFTA countries serves political goals, West European "freedom," etc. Are we now implementing Max Jakobson's foreign policy program for the "brightening" of Finland's image in the West?

Now that we are negotiating new agreements with Western Europe, there do not seem to be similar openings in sight in the direction of the Soviet Union and the CEMA countries. Does the government also subscribe to Jaakko Iloniemi's assertion that "there is no appreciable real importance in a formal counterbalancing of EFTA and EEC agreements with the CEMA countries. Merely a

cosmetic pirouette..." (UUSI SUOMI, 10 February 1985). Are we not even now aiming at a formal counterbalance?

Finland's Role in the CSCE

As the host country for the CSCE, which is now also responsible for the Economic Commission for Europe's (ECE) most important function, Finland could play a considerable role in the promotion of general European economic and scientific-technical cooperation that does not discriminate against anyone. In this matter too, however, are we following Max Jakobson's advice that Finland should not now promote conspicuous new initiatives involving CSCE processes?

Protection of Finland's national right of self-determination, employment and well-being presupposes independence from capitalist alliances and monopolistic supranational companies, they say in an official statement endorsed by the SKP [Finnish Communist Party] party organizations in early October and published in TIEDONANTAJA. The SKP party organizations demanded that, instead of committing itself to the jurisdiction of EFTA, the EEC and capitalist alliances that exclude other countries, Finland must take an active part in developing general European and international cooperation within the framework of the CSCE processes and the United Nations and the ECE among others.

11,466

CSO: 3617/26

POLITICAL

FINLAND

BRIEFS

POLL MEASURES KOIVISTO POPULARITY—Over 60 percent of our citizens support a second term in office for the next 6 years for President of the Republic Mauno Koivisto. This was revealed in a Gallup poll conducted for commercial television by the Economic Survey Company. The Economic Survey Company interviewed about 1,000 people concerning the next presidential elections. Sixty-one percent of those questioned supported Mauno Koivisto. Ten percent of those polled would vote for Foreign Minister Paavo Vayrynen, 9 percent bank director Harri Holkeri, 4 percent Governor Kalevi Kivisto and 2 percent general manager Jan-Magnus Jansson. According to the poll, if Mauno Koivisto were not a candidate in the next presidential elections, Paavo Vayrynen would be the favorite. Seventeen percent of those polled would vote for him. Thirteen percent supported Prime Minister Kalevi Sorsa, 10 percent Governor Pirkko Tyolajarvi, as they did also Harri Holkeri, and 9 percent Kalevi Kivisto in the Gallup poll conducted by the Economic Survey Company. [Text] [Helsinki UUSI SUOMI in Finnish 28 Oct 85 p 7] 11466

CSO: 3617/26

POLITICAL

FRANCE

VIEWS ON PARTIES, MAJOR POLITICAL FIGURES POLLED

Results Analyzed

Paris LIBERATION in French 7 Oct 85 pp 2-6

[Article by Eric Dupin: "Ideas and the Men of '86 on the Testing Bench"]

[Text] This LIBERATION-IFOP [French Public Opinion Institute] poll for the first time tests the issues the big political parties (PS [Socialist Party], PCF [French Communist Party], RPR [Rally for the Republic], UDF [French Democratic Union] and FN [National Front]) are getting ready to defend during the parliamentary elections campaign. And it evaluates the approval their leaders arouse among constituents, but also the "sincerity" they exude. The results scratch a large number of accepted notions.

We know everything about the balance of political power in terms of how people intend to vote through the election polls that follow one another and which will no doubt multiply between now and the parliamentary elections next March. But what we have not known is the impact of the ideas the big political parties will be defending during the election campaign.

The LIBERATION-IFOP poll that we publish today is the first testing bench for the 1986 issues. But we also wanted to test the leaders of the political parties that were chosen not in the domain of confidence, popularity of sympathy, as is usually the case, but in the domains of approval and sincerity. Who are those who we believe the most (and the least), those who seem to be sincere (or hypocrites)? In this there is no real surprise: Barre and Rocard take the cake. But the other leaders of the Left are not so badly rated. A fact that is worth noting because, as far as the hit parade of ideas is concerned, the Socialist issues are a real disappointment. Including — and this too is an original feature of this poll — those cases when the name of the party defending the idea submitted to the person being polled is not mentioned. A sort of "blindfold test" which, curiously, does not overturn a classification in which RPR issues account for the lion's share. However, it is to be noted that, while the individuals who were interviewed rather largely share the idea that "the crisis is not a fatal one," this majority is reduced to short rations when it is attributed to the PC. A paradoxical poll.

There is what politicians say and what people understand [them to mean]. Six months from the parliamentary elections, we wanted to gauge how their arguments are perceived thanks to an IFOP poll. This testing bench deals with both the arguments of public debate and those who engage in it. First, it is a matter of knowing the degree to which the public agrees with the chief arguments employed by the different parties. To do this, we selected three representative propaganda arguments for each of the 5 big parties (PCF, PS, UDF, RPR and FN). The trick consisted of dividing the sample of 1,961 persons interviewed into two parts. One half of those polled reacted to the 15 statements that were being tested without the political identity of their authors' being specified (anonymous arguments). The other half expressed their opinions knowing who the authors of the arguments that were submitted to them were (identified arguments). Since the reactions of the public are influenced by the source of the message, the results are obviously not identical. So through comparison it is possible to estimate the drawing power of the different arguments.

We also tested the quality of the attention 11 political leaders benefit from. By means of two simple questions: Do the French "agree" with what they say? And do they believe that they are "sincere" in their arguments? We shall see that these two approaches provide contradictory indications.

On the hit parade of issues the RPR wins first prize while the PS gets the booby prize. On the prize list of personalities, it is Raymond Barre who wins and the Socialists are highly rated. Public opinion is no less complex than the microcosm of politics.

1. Conservative Propaganda Making Great Strides

The Socialists have started out with a damned ideological handicap in the parliamentary elections battle. Their arguments are not scoring, whereas those of the Right are making a hell of an impression on the public. Table 1 ranks the 15 arguments by degree of agreement in descending order. Seven of them benefit from majority approval. These are the three arguments of the RPR and of the UDF and one of the PCF arguments. And among the seven rejected arguments we find all of those of the PS and the FN and one of the PCF's.

The RPR largely emerges from this game as the winner: Its statements rank first, third and fourth. Then come the UDF (fifth, sixth and seventh), the PCF (second, ninth and tenth) and the FN (eighth, eleventh and thirteenth). As for the PS, it comes in at the very tail end: twelfth, fourteenth and fifteenth!. Quite a sad result for a party whose announced ambition is to become the center of gravity of French political life.

Examination of the prize list for the identified arguments does not overturn these facts. As a rule, voters are harsher when the arguments are attributed to their authors. The RPR and the PCF suffer most from this phenomenon. Conversely, the more moderate parties, like the UDF and especially the PS, noticeably better withstand the identification of their arguments. In other words, while the loudmouths, the RPR and the PCF, succeed in finding impressive arguments, their poor brand image reduces their import.

The difference in response between the identified arguments and the anonymous arguments appears particularly at the level of the airing of partisan opinion. The example of the Communist slogan: "the crisis is not a fatal one," is the most illuminating. Does the fact that 74 percent of the RPR followers and 62 percent of the UDF followers agree with it conceal its Marchais origin? But as soon as the mask falls, they assert their disagreement with it in the respective proportion of 50 percent and 55 percent. The conservatives approve of the congenital economic optimism of the Communists provided that they do not hear this kind of talk coming from their mouths.

Symmetrically, 74 percent of the Communist followers applaud the idea that "economic growth will return if the country again has confidence in those who govern it" when they are not told that it is an RPR argument. When they know it, they reject it with a majority of 60 percent. Here we can gauge the quizical effects of objective resemblances between the propaganda of the Right and that of the PCF.

But Socialist voters too are susceptible to certain opposition arguments. Fifty-two percent agree with the statement: "the authority of the state is no longer respected today." We have to reveal its RPR origin for disagreement with it to prevail with 53 percent. The same Socialist accommodativeness with regard to Chirac's argument that "statism stifles our economic life": a relative majority in agreement with the anonymous statement and a majority in disagreement with the identified argument. This is how some conservative leitmotifs wind up influencing the Socialist public.

In short, our prize list of issues confirms the economic dictatorship that weighs on political debate. Four of the five leading arguments have to do with the crisis. The government is indiscriminately accused of having made mistakes, of being incapable of arousing confidence, but also at the same time of having sinned through statism and lack of determination. No matter what advances the French make in terms of economic maturity, the government always plays the role of a scapegoat in times of crisis. It is, moreover, significant that the disillusioned issue of the only possible economic policy is the one that meets with the greatest opposition. As if, at least for the duration of an election campaign, the French are always dreaming of a way out of the crisis. For it is without a doubt more a cherished hope than a profound conviction. A number of polls have in fact shown that the public has been resigned to the austerity policy and no longer really believes in tomorrows that are filled with song.

2. RPR Arguments Are the Most Telling

If the French vote according to the ideological preferences that emerge from this poll, the RPR should win the trophy of first party of France in March. Chirac's propaganda is at grips with several segments of public opinion. His optimistic and determined economic argument caters to all the impatiences and bitternesses. Chirac is apparently doing much the same thing when he swears that growth will return as soon as the country gets rid of this government of incompetents, as he puts it. The issue of a link between growth and political power is at any rate the object of a consensus that brings together all the political families (see Chart 1).

Chirac is also riding the crest of the wave of liberalism. The denunciation of statism is not only the doing of employers, the liberal professions and other upper management personnel. It is also shared by a majority of white-collar workers, middle management personnel (57 percent agree with it) and even workers (50 percent). We note, moreover, that this idea gives rise to the support of 53 percent of the voters, who state that they are "not quite sure of voting for the Left" in 1986. It is, in short, shared by half of the Socialist supporters.

As for the issue of the lack of "state authority," it permits them to attract another segment of the public. It is popularly voted for by individuals over 65 years of age (69 percent). Those voters who are "not quite sure of voting for the Right" pin their faith on it (81 percent). And it is an argument to which the least political segment of the population is particularly susceptible. In short, in this the RPR has something that will attract a conservative fringe of the electoral body.

As simplistic and demagogic as it may seem, its propaganda is all the more effective since it also creates the massive support of UDF and FN followers.

The Socialists themselves let themselves be caught in the trap of these anonymous arguments.

The UDF comes on less strongly but the reception reserved for its argument is quite respectable (see Chart 2). It is the argument of administrative mistakes, common in the RPR, which is getting along best. It convinces half of the Communists. It is approved by not only 69 percent of the industrial and commercial leaders, but also by 54 percent of the workers. On the other hand, the yearning for Francois Mitterrand's anticipated departure is only shifting support to the Right. There is not really a consensus on Barre's anticoncoexistence movement. In short, the desire for a "liberal policy directed by liberals" fills only UDF supporters with enthusiasm. The employers resolutely went it (64 percent), but the approval of the liberal professions and upper management is singularly restrained (43 percent). It is true that this argument, because of its abstract nature alone, is scarcely marketable. We counted 34 percent with "no opinion." A warning to impenitent conceptualizers.

3. FN Vulgate Takes Hold in the Right

At the slogan level the extreme Right is far from being isolated (see Chart 3). Is anti-immigrant obsession is well-received by over a third of the French! Half of the RPR supporters demand their departure, as does a nonnegligible minority of UDF Socialists. It is the leaders of industry and trade who approve of this demand most (51 percent). Upper management accounts for only 25 percent in this case which all the same involves 42 percent of the workers. We note that it is especially those persons who "are not at all interested" in politics who adopt the racist argument (44 percent against 24 percent among those who are "very much" interested in it). The FN furthermore influences a high percentage of undecided leftist voters: 39 percent of those who "are not quite sure of voting for the Left" support this argument.

The two other arguments of the extreme Right have less success. All the same, we note that in each case they are approved by half of the RPR supporters. Including the caricature: "It's the Left that creates insecurity." In comparison with the FN, UDF voters are decidedly more reserved. And it is the Communists who are most opposed to its vilgate. Electorally, these results are more promising for the extreme Right. its slogans always assure it the ear of a population that goes far beyond its traditional sphere of influence.

4. Opposition Likes PC Argument

Let's stop making fun of Marchais' old tune: "The crisis is not a fatal one!" From the Right to the Left of public opinion a majority of those polled would like to believe that, "if we want to, we can reduce unemployment and increase purchasing power" (see Chart 4). True, it is tempting. This slogan full of promise is so concrete that it is the argument that provokes the least "no opinions" (9 percent). In this the PCF has a fine subject for consensus. All the more so since it is not the workers who believe in it the most (64 percent). It is its adversaries of the employer class (76 percent)! Marchais is probably consoling himself in observing that his favorite slogan most particularly attracts those voters "not quite sure of voting for the Left" (74 percent). Provided they can be kept from the temptation to abstain, they can constitute an electoral reservoir.

The other big Communist argument, the Socialists' shift to the Right, is considerably less telling. It does not fully convince its own voters. We still discern a certain amount of disorder among PS supporters since a third of them think that their leaders are pursuing "a conservative policy." This is, moreover, the opinion of the majority of the workers (39 versus 31 percent) and even of those who are "quite sure of voting for the Left" (48 percent versus 45 percent). What self-sacrifice!

The frontal attacks on Mitterrand, guilty of assault on our national independence, have, on the other hand, only been applauded by the Right. Communist voters themselves do not really believe this. At any rate, clearly less so than RPR or FN voters. In its excesses the PCF leadership makes use of language the Right likes, but which is not likely to win it votes.

5. Socialist Arguments Not Convincing

The three Socialist slogans carefully selected by us are a disappointment (see Chart 5). We confess that we are no doubt responsible for one of them. "Modern, pragmatic socialism is the middle course between the different demagogies" was no doubt a bit too abstract for those polled. They were scarcely inspired since this argument produced the record number of nonresponses (38 percent). Laurent Fabius, whose middle-of-the-road thinking we wanted to test here, would no doubt have been able to express the idea that is dear to him more simply. Let us nevertheless note that this argument is the one most highly rated by upper management (30 percent).

More surprising is the failure of the argument that the Right is dangerously anti-Socialist, enviously repeated by the Socialists. Only Communist supporters massively adhere to it. But we found that only half of the Socialists fear that the "ghosts" [lit. 'those who return'] will attack their social gains. This fear is not even shared by the majority of the workers (36 percent versus 40 percent).

The argument of the only possible economic policy is even less well-received. Only a third of the Socialist supporters believe in it and all the others are massively of the opposite opinion. Decidedly, the PS is going to have to change its election repertory. It will not be enough to go into battle saying: We do what we can, we behave properly and the others are worse anyway. Defensive and self-justifying arguments are not the most profitable.

6. Barre and Rocard Are the Only Two Stars

There are two, and only two, who have the rare privilege of being generally approved of by a majority of Frenchmen: Raymond Barre and Michel Rocard (see Table 2). We knew that they were popular, but our poll confirms the fact that they stand out sharply from the rest. Barre by far outdistances Chirac and Giscard, whose agreement ratings are very clearly negative. Fabius does not emerge with majority support and places a notch below Rocard. As for Mitterrand, he can only boast of having overtaken Chirac by a nose.

This prize list of personalities is, however, rather encouraging for the Socialists. They have placed one of their own in second, third and fourth place. We note that those party leaders that are not presidential timber (Leotard, Jospin and Toubon) are scarcely known. It is among them that the percentage of "no opinions" is the highest. At the tail end of the column, Le Pen is ahead of Marchais. We find no more than 15 percent of the French who are in agreement — if only "fairly often" — with the secretary general of the PCF. And this figure comes to only 20 percent among the workers. Those who approve of Marchais the most after them are the unemployed (16 percent). And his score among white-collar workers and middle management personnel is only 11 percent.

The sincerity hit parade is hardly any different from the agreement hit parade. As if the voters of necessity judged the statements they approve of to be sincere. The sincerity criterion does not reevaluate Giscard, Le Pen and Marchais any less relatively, whereas it is less profitable for Chirac, as it is for Toubon.

7. Rocard Rakes In More Than Fabius

Support for Rocard was surpassed in only one political family: his own (see Chart 6). Socialist supporters are just a bit more often in agreement with Mitterrand and Fabius. But otherwise, on the Right as on the Left, the ex-minister of agriculture is widening the gap in his favor. He is practically as well understood by the Communists as Mitterrand is, but clearly better than Fabius. It is on the Right that his argument is received in a singularly better way than those of the other Socialist leaders. The president is

certainly the one who is most approved of among undecided leftists (71 percent). But it is Rocard who has the highest rating among undecided conservatives (45 percent). The latter is indisputably the best equation for the presidency. Being approved of by 46 percent of those voters situated in the Center-Right is a strength.

In comparison with his rival, Fabius today has a lag to overcome. Even though we must not forget that his function exposes him more than a Rocard, who gives the impression of being on the fringe of the PS. A comparison of the public followings of the two leaders shows that Rocard's popularity is more solid. Fabius is understood by a public that is more apolitical than he. The prime minister's supporters are clearly less consistent: 67 percent think, for example, that "the crisis is not a fatal one" as against 55 percent for Rocard. Similarly, 43 percent of the "Fabiusians" want "a liberal policy directed by liberals" as against 32 percent of the "Rocardians."

Sociologically viewed, Fabius' support base is, however, relatively broader than Rocard's, overrepresented in the so-called upper strata. The head of the government scores best in terms of support among the white-collar workers and middle management personnel (43 percent), while his former minister beats his record among the upper management personnel (54 percent). The fact remains that Rocard has overtaken his rival in all the social categories.

This poll is, in conclusion, cruel for Jospin. Moderately applauded by his natural public, he does not attract the Communists and he is outright rejected by the Right. The first secretary of the PS is approved by only 46 percent of those who are not "quite sure of voting for the Left" in 1986. We may think of him rather as an election locomotive.

8. Chirac Is Deported to the Right

Barre dominates Chirac in all the political families except the RPR and the extreme Right, where the latter has a slight edge on him. The leader of the RPR has clearly been deported to the Right, whereas his rival is better understood by the Center and even by a minority of Socialists. Sharply radicalized, Chirac's public is particularly susceptible to the FN arguments. Fifty-eight percent of the "Chirackians" hope for the departure of the immigrants and 57 percent of them think that "it is the Left that creates insecurity."

Conversely, Barre's image warrants him the ear of those who are undecided. Seventy-nine percent of those voters who are not sure whether they will vote for the Right and 24 percent of those who are not sure whether they will vote for the Left agree with what he says. What is more, Barre's sociological base is more extensive than Chirac's. The former is approved of by 46 percent of the white-collar workers and middle management personnel as against only 29 percent for the latter. The RPR leader's audience is much more concentrated among employers and upper management personnel than his rival's. As for Giscard, while less rejected than Chirac in the Left, he suffers from an indisputable lukewarmness in the Right. Including UDF supporters.

9. 1986 Favorable for the Right, 1988 Playable for the Left

This investigation illustrates several paradoxes. The RPR propaganda machine is running at full capacity, but a third of the French say they agree with Chirac's statements. People do not believe the Socialist argument and yet Socialist leaders are among those most listened to. Some Communist arguments rub public opinion the right way, but Marchais is the least understood of our political leaders. The French seem to be dreaming of a quick, not to say magical way out of the crisis and this does not keep them from popularly voting for the two chief advocates of austerity (Barre and Rocard). This is how a distance often separates the aspirations and convictions of public opinion. The sum total of these contradictions in any case leads us to think that the game of politics is in the middle run less closed than it would appear to be at first sight.

The apparent difference between the judgments of arguments and of personalities in short suggests that the parliamentary campaign is much more unfavorable for the Left than the presidential race. A duel between Barre and Rocard would be more open than the struggle between Right and Left. Because Rocard is encroaching more in the Right than Barre in the Left. For the mayor of Conflans-Sainte-Honorine the problem is that conservative voters are at present much more numerous than those of the Left.

Table 1: The Hit Parade of Ideas That Are Making Advances

Here is the general ranking of arguments advanced by each of the big political parties before the parliamentary elections. The "blindfold test" (arguments that are not identified) hardly applies a corrective to the judgments of those polled.

D'ACCORD (1) (1)		TABLEAU 1											
PAS D'ACCORD (2)(2)		NE SE PRONONCENT PAS (3)											
(4)	(5)			(7)			(8)						
RANG	PARTI	PHRASE (6)		THÈMES ANONYMES			THÈMES IDENTIFIÉS						
1	RPR	La croissance économique reviendra si le pays a de nouveau confiance dans ses gouvernants. (9)		69	18	13	60	26	14				
2	PC	La prise n'est pas fatale, si l'on veut, on peut diminuer le chômage et augmenter le pouvoir d'achat. (10)		63	28	09	51	38	11				
3	RPR	L'autorité de l'Etat n'est plus respectée aujourd'hui. (11)		60	27	13	52	34	14				
4	RPR	L'étatisme étouffe la vie économique. (12)		56	19	25	48	25	27				
5	UDF	Le gouvernement socialiste fait payer aux Français ses erreurs de gestion. (13)		56	27	17	51	32	17				
6	UDF	François Mitterrand devrait démissionner si l'opposition gagne les élections. (14)		43	38	19	44	38	18				
7	UDF	Le pays a besoin d'une politique libérale conduite par des libéraux. (15)		41	25	34	37	31	32				
8	FN	Il faut faire partir les immigrés pour pouvoir donner du travail aux Français. (16)		37	50	13	37	52	11				
9	PC	François Mitterrand brade l'indépendance nationale. (17)		36	36	28	29	43	28				
10	PC	Les socialistes mènent aujourd'hui une politique de droite. (18)		36	40	26	32	43	25				
11	FN	Lorsqu'ils étaient au pouvoir, l'UDF et le RPR n'ont pas mené une véritable politique de droite. (19)		32	37	31	28	37	35				
12	PS	La victoire de la droite en 1986, ce serait un dangereux retour en arrière sur le plan social. (20)		30	52	18	30	51	19				
13	FN	C'est la gauche qui crée l'insécurité. (21)		25	56	19	24	57	19				
14	PS	Le socialisme moderne et pragmatique, c'est la voie du juste milieu entre les différents demagogues. (22)		21	41	38	22	45	33				
15	PS	Il n'y a pas d'autre politique économique possible que celle du gouvernement actuel. (23)		17	62	21	17	62	21				

Key:

1. Agree with.¹
2. Do not agree with.²
3. Expressed no opinion.
4. Rank.
5. Party.
6. Statement.
7. Anonymous arguments.
8. Identified arguments.
9. Economic growth will return if the country once again has confidence in those who govern it.
10. The crisis is not a fatal one; if we want to, we can reduce unemployment and increase purchasing power.
11. The authority of the state is no longer respected today.
12. Statism stifles the life of the economy.
13. The Socialist government is making the French pay for its administrative mistakes.
14. Francois Mitterrand ought to resign if the opposition wins the elections.
15. The country needs a liberal policy directed by liberals.
16. We must deport the immigrants to be able to provide the French with work.
17. Francois Mitterrand is selling out our national independence.
18. The Socialists are today pursuing a conservative policy.
19. When they were in power, the UDF and the RPR did not pursue a truly conservative policy.
20. A victory of the Right in 1986 would be a dangerous reversal from the social point of view.
21. It is the Left that creates insecurity.
22. Modern, pragmatic socialism is the middle course between the different demagogies.
23. There is no other possible economic policy than that of the present government.

Question 1: "I'm going to show you a certain number of statements that repeat political arguments. Can you tell me whether you agree completely, moderately, little or not at all:

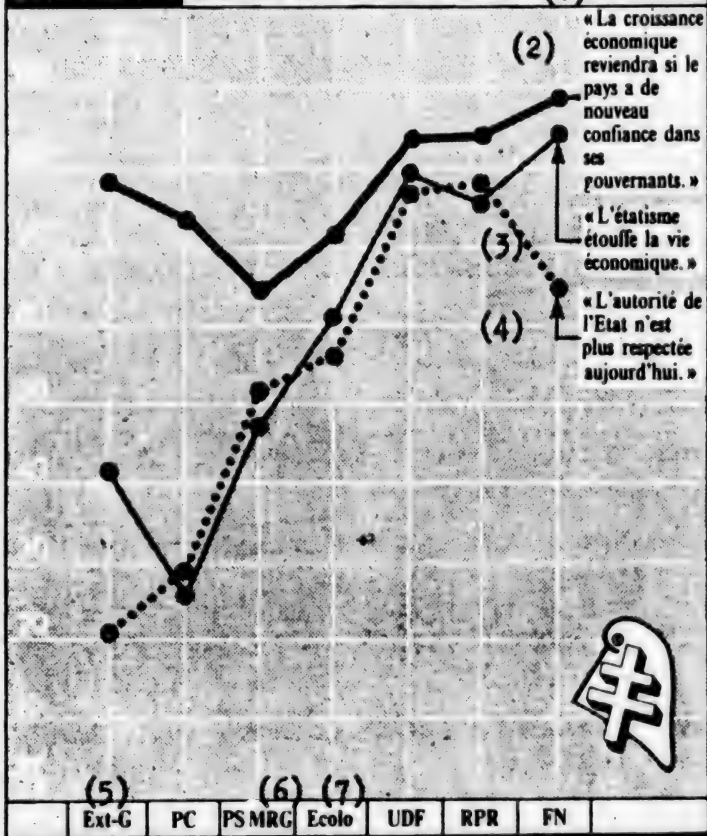
- a) "with each of these arguments (anonymous arguments);
- b) "with each of the arguments that are to be found...." (identical arguments)

1. Total numbers of "fully agree" and "pretty much agree."
2. Total numbers of "do not very much agree" and "do not at all agree."

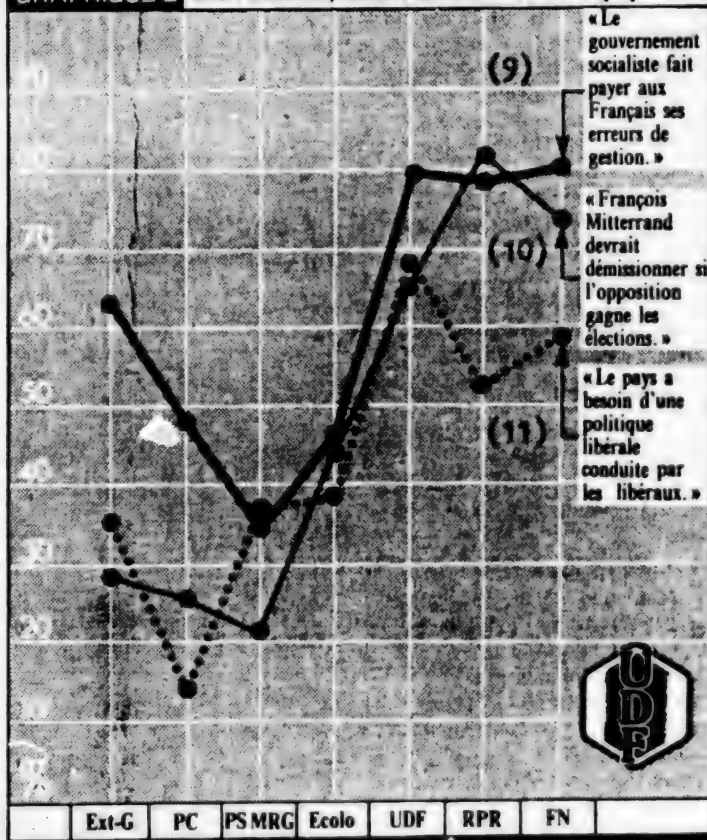
Trumps and Handicaps Before the Big Parliamentary Elections Race

Here, by political families, are the ideas that are making advances, on a public opinion scale of 1 (extreme Left) to 7 (extreme Right):

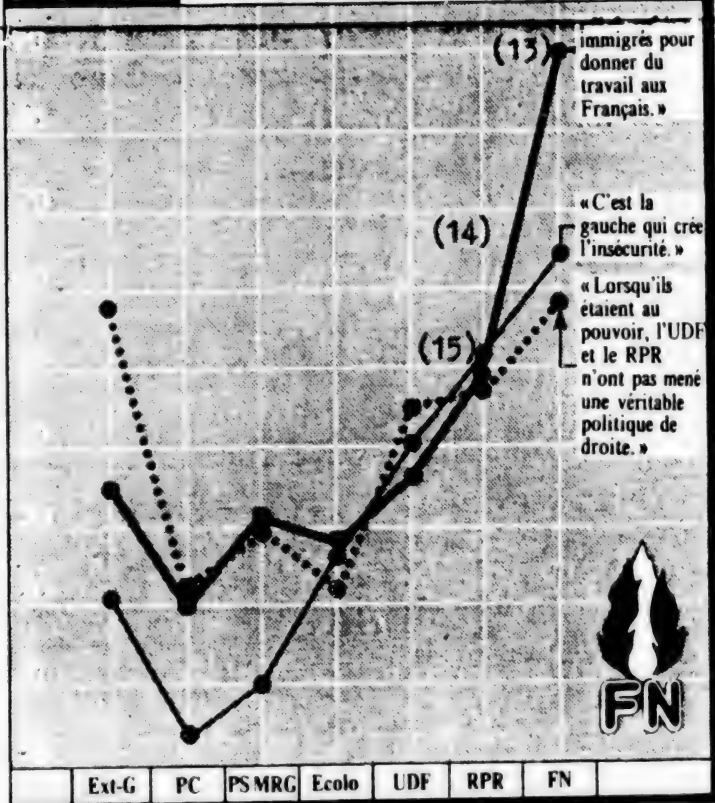
GRAPHIQUE 1 RPR : UN TIERCÉ CARACOLANT (1)



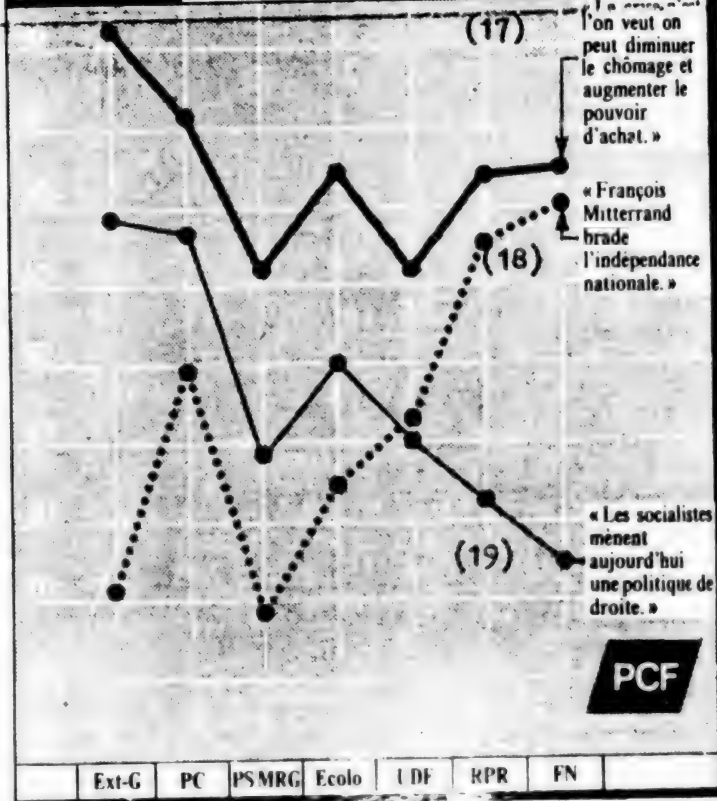
GRAPHIQUE 2 UDF : PLACÉS, MAIS PAS GAGNANTS (8)



GRAPHIQUE 3 FN: LE TICKET ANTI-IMMIGRÉS (12)



GRAPHIQUE 4 PC: L'OPTIMISME ANTI-CRISE A LA COTE (16)



Key:

1. Chart 1. RPR: a caracoling tierce.
2. "Economic growth will return if the country once again has confidence in those who govern it."
3. "Statism stifles the life of the economy."
4. "The authority of the state is no longer respected today."
5. Extreme Left.
6. MRG [expansion unknown].
7. Ecolo [expansion unknown].
8. Chart 2. UDF: placed, but not a winner.
9. "The Socialist government is making the French pay for its administrative mistakes."
10. "Francois Mitterrand ought to resign if the opposition wins the elections."
11. "The country needs a liberal policy directed by liberals."
12. Chart 3. FN: the anti-immigrant ticket.
13. "We must deport the immigrants to provide work for the French."
14. "It is the Left that creates insecurity."
15. "When they were in power, the UDF and the RPR did not even pursue a truly conservative policy."
16. Chart 4. PCF: anticrisis optimism rated.
17. "The crisis is not a fatal one; if we want to, we can reduce unemployment and increase purchasing power."
18. "Francois Mitterrand is selling out our national independence."
19. "The Socialists are today pursuing a conservative policy."
20. Chart 5. PS: easy trot to the "return of the Right."
21. "A conservative victory in 1986 would be a dangerous reversal from the social point of view."
22. "Modern, pragmatic socialism is the middle course between the different demagogies."
23. "There is no other possible economic policy than that of the present government."

Total number of "fully agree" and "pretty much agree" responses to Question 1 by the party one feels closest to.

Table 2: The Prize List of Leaders

There are those in whom we still believe, those in whom we rarely believe, those who appear to be sincere, those who do not appear to be so.... These are often the same ones. And the members of the twosome, Barre-Rocard, are much the same.

TABLEAU 2 LE PALMARES DES CHEFS

Il y a ceux que l'on croit toujours, ceux que l'on croit rarement, ceux qui paraissent sincères, ceux qui ne le paraissent pas... Ce sont souvent les mêmes. Et le duo Barre-Rocard fait un tabac.



(1) ORDRE	(2) PARTI	HOMME POLITIQUE (3)	Question 2 ACCORD AVEC CE QU'IL DIT			Question 3 (8) SINCERITE DES DECLARATIONS		
			D'ACCORD (1) (5)	PAS (2) D'ACCORD (6)	N.S.P. (7)	SINCERE (3) (9)	PAS (4) SINCERE (10)	N.S.P. (7)
1	UDF	Raymond BARRE	46	36	18	54	29	17
2	PS	Michel ROCARD	44	35	21	48	30	22
3	PS	Laurent FABIUS	37	42	21	43	37	20
4	PS	François MITTERRAND	36	49	15	40	44	16
5	RPR	Jacques CHIRAC	34	48	18	37	45	18
6	UDF	Valéry GISCARD D'ESTAING	34	49	17	39	44	17
7	UDF	François LEOTARD	30	36	34	36	31	33
8	PS	Lionel JOSPIN	23	54	23	32	44	24
9	RPR	Jacques TOUBON	19	37	44	24	34	42
10	FN	Jean-Marie LE PEN	17	66	17	31	49	20
11	PC	Georges MARCHAIS	15	69	16	27	55	18

Key:

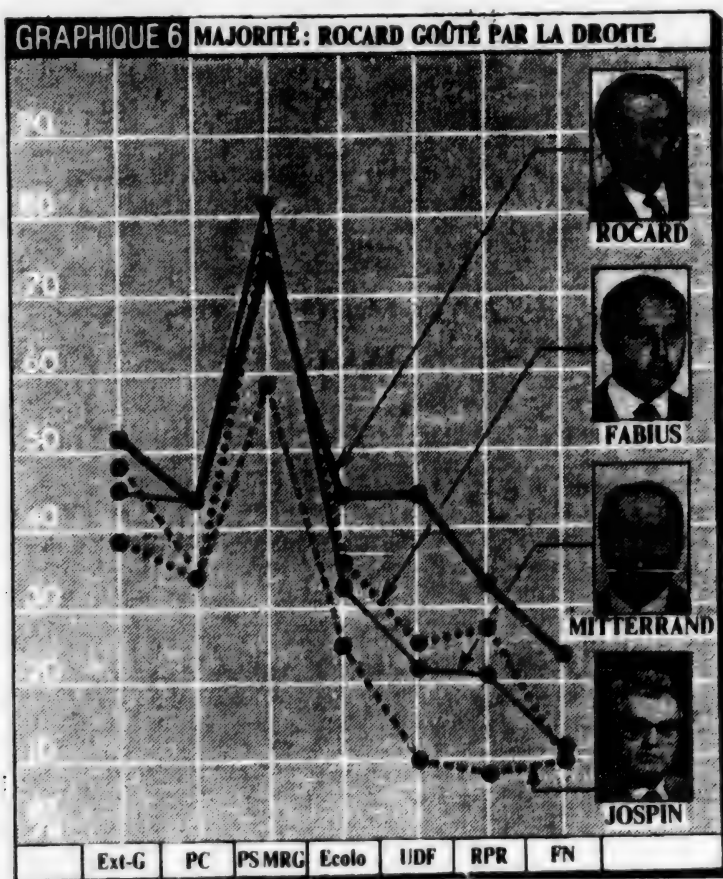
1. Rank.
2. Party.
3. Politician.
4. Agreement with what he says.
5. Agree.
6. Do not agree.²
7. Expressed no opinion.
8. Sincerity of statements.
9. Sincere.³
10. Not sincere.⁴

Question 2: "Do you always, almost always, fairly often, not too often, almost never or never agree with what he says?"

Question 3: "Can you tell me whether each of the following personalities seems to you to always, almost always, fairly often, not too often, almost never or never be sincere in his statements?"

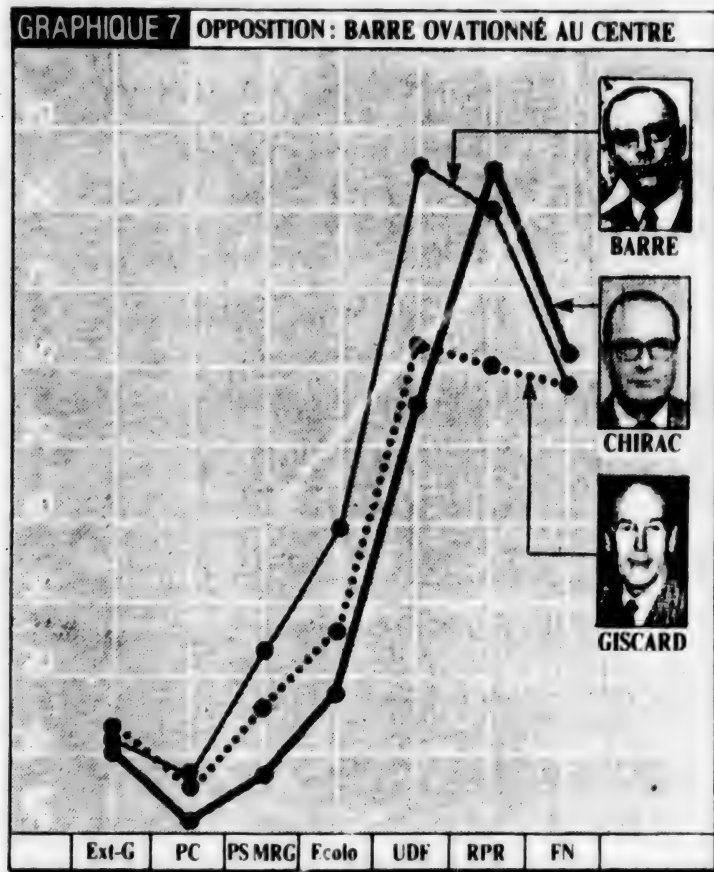
1. Total number of "always, almost always and fairly often agree."
2. Total number of "not too often, almost never and never agree."
3. Total number of "always, almost always and fairly often sincere."
4. Total number of "not too often, almost never and never sincere."

Chart 6. Majority: Rocard Approved of by the Right



The quartet of the Left is seeing the score of its first violin, Mitterrand, give rise to a lesser approval of the Left than the others, but to an opposite reaction when one turns to the Right.

Chart 7. Opposition: Barre Acclaimed in the Center



It is Barre who has been the most successful — among the members of the trio, Barre-Chirac-Giscard — in obtaining the approval of the Center of the electorate. And he hollows close on the heels of Chirac in the RPR bays while Giscard is letting himself be outdistanced in the UDF seats.

Total number of "always, almost always and fairly often" responses to Question 2 by the party one feels closest to.

The Persons Polled

Between 27 August and 3 September 1985 1,961 persons were interviewed. This poll was conducted with a national sample representative of the population 18 years of age and over. The representativeness of the sample was assured in the criteria of sex, age and socioprofessional category of the head of the household after stratification by residence and by region (quota method).

Editorial Comment

Paris LIBERATION in French 7 Oct 85 p 3

[Editorial by Serge July: "The Surprise"]

[Text] It is always dangerous to bet on voters' resignation, just as it is to persuade oneself that a sort of consensus is established on the austerity policy as a result of which the election campaign is deprived of any drive characteristic of the issues. This is what this poll, which plays the role of a testing bench for the issues of March 1986, proves.

Because for a surprise, this is a surprise.

After the frustrations and disappointments produced since 1974 by election promises by the Right and the Left, we might suppose that voters would behave with cold scepticism. Better yet, that they were getting ready to penalize all those adept at the propaganda lines of "tomorrows that are filled with song," magical ways of getting out of the crisis and other more or less vigorous fairy tales. This was no doubt true 2 years ago, perhaps even a year ago, but the signs of economic recovery that have been confirmed throughout this period of time in several Western countries contradict this eye-opening judgment on which the Socialist government has inflexibly planted itself. The public once again believes that it is "possible to emerge from the crisis," as the success of the RPR arguments tends to demonstrate. But this homage rendered a positivist and optimistic view of the economic policy is not for all that a blank check for some Chirackian Santa Claus.

For, what is most striking is the link voters seem to create between growth and political determination. Of course, liberal ideas are submitted for referendums and statism is sternly denounced, but we nonetheless expect a "dream" government to really want to do things and expect it to have sufficient authority and confidence to brush aside all obstacles and stumbling blocks.

In connection with this, the public has no more confidence that the RPR will succeed in making this economic leap forward than it does in the Socialist majority. It would even have relatively more confidence in Fabius and even Mitterrand than in Chirac and Giscard. But the two winners in this poll are obviously Raymond Barre and Michel Rocard. For Liberalism to be effective, it is therefore important for public opinion to be controlled by the symbolic images of austerity, former Prime Minister Giscard and the former minister of agriculture.

This contradiction is only an apparent one. Because this actually amounts to saying that we need not fear a rigorous purge even if we have to go through a period of austerity. Possibly sacrifices, even more than those accepted today, but on condition that this will really serve some purpose, that it will be productive in all senses of the term. We might say that this is unfair to the Socialists, who have after all achieved real successes in the struggle against inflation. Only there you are, the public does not believe that it is really worthwhile.

This is why the public prefers to have confidence in the austerity father twosome of Barre and Rocard: People imagine that they are not men who do things halfway. The kind of liberalism most of the public dreams of is a liberalism tempered by a strong political power that knows what to do. If austerity is thus paradoxically associated with liberalism, it is because it means an actual freeing of the French economy. And everything occurs as if the public wished that this freeing of the economy were perfectly controlled in order to avoid all the inconveniences of unbridled liberalism. In other words, the public instead yearns for liberalism while at the same time mistrusting it.

This hypothesis is confirmed by the repudiation of the Socialist arguments and the agreement accorded opposition critics: "The authority of the state is not respected," "the Socialist government is making the French pay for its administrative mistakes" and "statism stifles the life of the economy." In other words, the weight of the past, of the beginnings of the 7-year term, has great bearing on people's appraisal of current government action and makes it difficult to collect anticipated election dividends. This is the ultimate confirmation of what we might call "the inadequacy of the government," the very poor score achieved by the argument, "there is no other economic policy possible." The Socialist Left was judged to be capable of doing better, but it has not done so, as witnessed by the prize list of politicians with regard to "agreement with what they say" and "the sincerity of their statements": The Left has three Socialist leaders who place among the first four. Of course, Barre is at the top, but he is immediately followed by Rocard, Fabius and even Mitterrand. In the end, what the public blames the Socialists and their leaders for is that they have not been bold enough as concerns economic rigor.

In short, this poll proves that, far from bringing in votes, the election arguments of the Socialists on the contrary contribute to the reinforcement of scepticism. While the government no longer has time to "toughen" its action, it can express an opinion on what a victory in 1986 would finally permit it to do. This is based on the assumption that it as well as the Socialist Party will announce their position to "emerge from the crisis" and under what conditions it is actually possible to accelerate the movement without worrying about playing both ends against the middle as the Socialists have futilely attempted to do since 1982.

11,466

CSO: 3519/3

POLITICAL

GREECE

PRO-GOVERNMENT DAILY REGRETS GOVERNMENT FAILINGS

Loss of Democratic Spirit

Athens ELEVTHEROTYPIA in Greek 5 Oct 85 p 9

[Article by Vasilis Filias]

[Excerpt] As time passes, I am becoming all the more convinced that there is a colossal confusion in our country in connection with the substance and functioning of democracy. A confusion which is being promoted systematically. There is the concern--and which like a suppuration is affecting our entire life, both public and private. This confusion reduces to the fact that the notion is being cultivated and is prevailing that the degree of democratism and democratization is measured by the extent of unaccountability, arbitrariness, and irresponsibility in the behavior of each of us, both as individuals and collectively, with the result that the concepts of democratization and the creation of anarchy are converging, if not coinciding.

Of course, this is a mistake, and a grievous mistake, that in practice leads to self-contradiction and the destruction of democracy, as we have repeatedly had occasion to discuss in these columns. Nevertheless, the critical question is: Why is this debased conception of democracy not only becoming tolerable, but also being promoted and propagated in every way, directly or indirectly, by those in power?

On a superficial level one could say: "So that they can be free from cares," "in order to be pleasing to the masses," "in order to secure their electoral constituency," and the like. I believe that all these are secondary and that the heart of the matter lies elsewhere. The heart of the matter is found by way of this so-called democratization, where giving substance to democracy is avoided. A substantiation which means, and cannot mean other than, the exercising of true control over power by the public, by the people.

With the battle of erosion and attrition going on at the outposts around the various "democratizations," the main policy remains untouched and unexamined, there where everything is adjudicated--that is, at the level of decision-making. There, dark and unfathomable forces decide "carte blanche" on our behalf.

Why and how? Because, very simply, there is absolutely no clarity at this level, no informing (on the contrary, there is disinformation and obfuscation), no concrete communication. Without a doubt, the public life of the country has ceased to be public, and there is more and more behind-the-scenes maneuvering. This behind-the-scenes maneuvering has reached such an extent that even the government itself as a whole, as a unified body, cannot have the whole picture on the decisions taken, but is informed of them on a case-by-case basis and after the fact. There is "privy-council formation" and compartmentalization of governmental functions by the system of side-by-side "conclaves" that make decisions, replacing the governmental council.

It is obvious that on the critical issues of defense and foreign policy, public security, and the EEC and economic policy, the majority of the ministers more and more often are outside the temple and are constantly being caught off guard.

The matter is very serious, especially with the progressive enervation of the organs of the governing party, which was confirmed with the shake-up of the executive office and the--in any case--very inadequate and deficient informing of the public.

Poor Climate for Economic Measures

Athens ELEVTHEROTYPIA in Greek 13 Oct 85 p 8

[Article by Giorgis Massavetas]

[Excerpts] Aside from any inclination toward clever sarcasm, there is a bitter reality. Its chief characteristic is the persistence of our political leadership, as a whole, in not telling the truth to the people. In not saying either that which it truly knows, or that which it truly believes.

In announcing the measures that constitute its new economic policy, the government did not have the courage to acknowledge its own mistakes. And it resorted again to blaming the governments of the last 30 years and foreign business conditions. But how are the people to accept these "explanations" when they remember very well that the party now in power has never acknowledged any mitigating circumstance in the previous governments, either concerning what they inherited from the dictatorship, or concerning the international petroleum crisis and economic recession that they faced?

What remains to the citizen? There is no room for choices. The measures must succeed. In order for the country to remain, after 2 years, on its feet. Otherwise, this coming winter we will be forming queues. But unfortunately there will be great difficulties on the road that leads to the success of these measures. Not because the citizens are to blame. But because those which ought to persuade them, the parties and the press, will hasten to flatter every desire, to stir up every negative reaction, with the one and only motive: What they will "collect" in "goodies" from the

bankruptcy of the country. Because if now the economy is not stabilized-- within the next 2 years--we will not escape this bankruptcy.

Of course, there is also the government. The party of the majority. Can this persuade the people? Surely it can achieve a number of things. Provided that first it can persuade itself. To cease hiding its head in the sand. To accept, one by one, the mistakes it has made. To abandon the "mania for agencies," the mania for councils, the conviction of having the sole truth, the arrogance.

But all these things, someone will say, are not "economic matters." Here is the tragic mistake. No measure will succeed if the climate does not change. Neither devaluation nor the glide have saved us up to now. Neither the "agencies" nor the "institutions" nor the measures upon measures have done anything. Because there is distrust, uncertainty about whether what is ostentatiously announced today will prevail also tomorrow. And about whether it is possible for the policy to change by means of certain changes in the personnel. With the shifting of the one unsuccessful person to the post of another.

The measures, unfortunately, were unavoidable. But equally unfortunately, they will have their own effects if the spirit of administration does not change.

12114

CSO: 3521/16

POLITICAL

GREECE

POLL REVEALS HIGH LEVEL OF DEPRESSION

Athens TO VIMA in Greek 13 Oct 85 p 1

[Article by Olympia Tsipira]

[Text] Greeks are losing their smiles....The popular expression "no more poverty and a warm heart" seems to be losing ground very gradually to the more contemporary "good morning, sorrow"! Especially under the Attic sky, the data from a scientific study bear witness to this: Some 18 percent of the population is showing signs of depression, with 10 percent being characterized by the scientists as a "high risk group."

These figures are elements of a scientific study which was done in two communities representative of the population of Athens: Vyron and Kaisariani.

The study was done by the Center for Community Mental Health and by the following professional group of psychiatrists: M. Madianos, V. Tomaras, D. Madianos, and K. Stefanis.

The conclusions from this investigative work will be presented today by Mikh. Madianos to the International Psychiatric Conference which is being held at the Stadium of Peace and Friendship. As Madianos said to TO VIMA, this study was done on 1,600 residents of the two communities, by a personal interview and with the use of scalings (questionnaires). Those questioned were adults from 19 to 64 years old, and it is believed that they constitute a random and representative sample.

"Age, poverty, and loneliness seem to be the three most important parameters of depression for the modern Greek," Madianos likes to say in characterization. "But women take the lead, since their sex seems to be determinative of a greater predisposition to despondency."

"The low average for married persons shows how much the family still plays a stabilizing role in our community," stressed the psychiatrist V. Tomaras, a member of the research group, adding that besides loneliness "the crush of poverty" also leads to depression.

According to the study, the poorest social classes, the unskilled workers, have the highest percentage of depression, followed closely by those

divorced in enjoying "the right to sorrow," with an average of 12.65 on the scale of depressive symptoms. They are followed by pensioners, with 12.50. On the other hand businessmen and management personnel, who are the most comfortable financially, have the lowest value on the scale: Only 4.60 (who said that wealth does not bring happiness?).

Age also plays its role in the variations in depression. The young and middle-aged people have the greatest portion. According to the study, young people from 19 to 29 years old and middle-aged people from 50 to 59 years have an average of 9 on the scale. The ages which seem to be more protected from depression are those from 30 to 39, with an average value of 5.70 on the scale.

12114

CSO: 3521/16

POLITICAL

GREECE

BRIEFS

SOVIETS RENEGING ON AGREEMENTS--The Soviets are not being faithful to the written promises which they gave to the premier. They had made the commitment that Greek companies would undertake the construction of hotels in the USSR. And now they say that they will also examine other bids. Also they say that they are studying bids from other countries on imports of fruits and vegetables that they have traditionally received from our country. And finally they consented to send Soviet ships to our shipyards only on a cost-price basis, knowing the problems that exist. Mr Simitis pointed out these instances of being untrue to their word to the Soviets, but he received only vague assurances. [Excerpt] [Athens MESIMVRINI in Greek 12 Oct 85 p 7] 12114

CSO: 3521/16

POLITICAL

ITALY

SITUATION IN SOUTH TYROL SEEM DETERIORATING

Zurich DIE WELTWOCHEN in German 19 Sep 85 p 15

[Article by Inge Santner: "Sinowatz and Craxi Have No Formula For Ending the Escalating Crisis in South Tyrol. Ugly Ethnic Struggle in 'God's Corner'"]

[Text]

Expeditionously

When the Italian Minister President, Bettino Craxi, visited Vienna in February of 1984, the clocks of South Tyrol were still running properly. Craxi promised that all remaining problems regarding the Bozen province would be "solved expeditionously," adding that they were minor anyhow, hardly worth mentioning and certainly not worth worrying about. When Austria's Chancellor, Fred Sinowatz, paid Rome a visit last week, however, the Italian neither promised expeditionous nor other solutions, but rather none at all.

Craxi, puckering his brows with concern, discribed the issue as "causa molto difficile," a very difficult matter, exhibiting the very minimum of diplomatic niceties and vaguely stating that talks would be continued.

He could not promise any more than that because the clocks in South Tyrol are obviously no longer working properly. Instead of slowly moving forward in the known fashion, showing small, but steady progress, their hands have been moving backward lately. Further concessions of the Rome central government to the German-speaking minority in North Italy have become improbable to impossible. Even the achievements to date seem to be in jeopardy, crumbling here and there.

Silvius Magnago, 71, governor of South Tyrol, who at times shows signs of being weary of his office, uses the understated phrase of a "grave development." The Rome-Bozen relationship, which had been continuously improving since 1970, has, in fact, taken a dangerous turn. The two peoples to live together on Etsch and Eisack, which are do different, apparently have been overtaxed by the political reorganization scheme.

One must expressly stress that from a historic viewpoint, the South Tyroleans have every reason to feel that they are being treated unfairly. From a current viewpoint, they, in turn, are acting in an unfair manner.

Since that day in November of 1918 when the defeated Italian WW I divisions marched into Bozen with triumphant fanfares and occupied Old Austria's most loyal region, South Tyrol has been sacrificed for world politics three times: in 1919 in the St. Germain peace treaty which confirmed the annexation; in 1938 when the Nazis marched into Austria when Hitler purchased the non-intervention of Italy by recognizing the Brenner border ("Duce, I will always remember that"), and towards the end of WWII when the Western allies prevented a referendum because they wanted to strengthen the position of the Trient Christian Democrat De Gasperi in the fight against the communists.

The deceived South Tyroleans and their new masters were an example of a poor match. The free farming community, which enjoyed guaranteed preferences as early as the 13th century, saw itself thrown into a state of half-tenants and almost-indentured. Proud, sturdy Tyroleans woke up in a chauvinist Italy, which intellectually still lived in the age of Cavour and could not bring itself to respect minorities. Two peoples and two languages, even two mentalities clashed: the patriarch-conservative, rural-moral South Tyrolean mentality, and the industrial-progressive, urban-materialistic Italian mentality. Such a forced union was bound to fail.

Ancestors of Terror

Promptly with the takeover of power by the Fascists in October 1922 a brutal Italianization of the Etsch area started. Mussolini generously pumped money and people into the new Bozen industrial region. "We shall make this region Italian," he pledged before the Rome Chamber.

In 1918 less than 7,000 Italians lived in the Bozen province (identical with South Tyrol), i.e., 3 percent of the population. In 1938 as many as 81,000 over 24 percent had settled there. The postal and railroad workers, the local medical doctors, the carabinieri, the mayors even of the smallest villages were Italians. The German language was not allowed to be taught. Even on the gravestones in the cemeteries the powers-that-be wanted Romanized names.

In the sixties, however, the situation took a drastic change for the better. While the South Tyrolean "bangers," the predecessors of modern political terrorists in Europe, so to speak, blew up numerous power lines, thus making the Italians nervous. Bruno Kreisky, the foreign minister in Vienna, brought the matter before the United Nations. Thanks to this double action, Italy was willing to compromise.

In tough, patient trilateral negotiations between Rome, Vienna and Bozen the so-called package was worked out in 1969, a complex contractual agreement comprising 137 almost baroque formulated autonomous rights, thus

initiating a normalization of the coexistence between some 271,000 ethnic Germans and 146,000 Italian "Southtirolesi" that had been awaited with hope.

Against "Alsatianization"

Meanwhile the 137 paragraphs of law have been implemented with only few exceptions. Over 15 years South Tyrol saw continuous progress.

In 1948 the small Alpine region 7,400 square kilometers in size was considered a model region and friendly "God's corner" on the upper edge of the crisis-shaken boot. It had the least terrorism, strikes, crime, the highest levels of ethics among taxpayers and, in addition, the lowest unemployment rate, i.e., 3 percent. Its problems were no problems of crisis, but problems of prosperity: Too much business, too much money, too many tourists and therefore too much strain on the environment, and excessive prices. South Tyrol was strangled by wealth, so to say.

A well-functioning administration, efficient economic policies and a generous social system changed the formerly poor mountain farming community into a type of Swiss canton, cheered up by Southern lightness.

Even with regard to party politics the small world around Bozen seemed sound. Although the South Tyrolean People's Party led by Magnago has always considered itself a pool of Germanity, its constituency gradually grew beyond its own camps. Thousands of Italians considered it a genuine guarantee for permanent order. Bettino Craxi therefore lightheartedly advised that the last items of the package that were still open would be complied with.

It was just at that happy moment of compliance that malady set in. The old mistrust between South Tyroleans and Italians broke open again. The year-long lack of psychological enlightenment took its toll almost instantly. It seemed that both peoples had not been adequately prepared for the practical consequences of equality.

The Italians have been extremely reluctant to grant autonomy at their cost. Any concession, however small, must be fought for painstakingly. No longer having the upper hand and losing their former sovereignty rights is understandably difficult for them. Most of them still cannot believe that now they have to learn the petty German language in order to obtain a position as a civil servant. As of the third day after the painful bilingual examination at the latest, they tend to lose their newly acquired language skills in record time. They still expect to be addressed in Italian even by the simplest cowboy.

The South Tyroleans, in turn, who have been committed to the image of the Italian enemy since 1918, act like arrogant victors.

In 1985 it is the ratio of Germans versus Italians exclusively that governs the Bozen province, which automatically puts the Italians in second place. The South Tyroleans claim two thirds--even a bit more, to be exact,

due to the catchup demand--of all public housing, civil service posts and subsidies. Other than that, they place maximum value on remaining strictly among themselves and preventing a mixture of the German and Italian culture (Magnago: "Alsationization"). Church services, soccer clubs and kindergardens are ethnically separate. A "Walsh" has to be very nice in order to be accepted as a member of a German-speaking local firefighter crew.

Magnago and his men are coined by the ethnic struggle. Therefore they act in the interest of the genuine Tirolese exclusively. Their major objective is to make an "invincible Alpine fortress" (so "Corriere della Sera") out of South Tyrol. Industrialists from the Lombardei have been struggling--to no avail, it seems--to obtain building permits to build manufacturing plants near Brixen, Merano or Sterzing. Vacationers from hot Sicily have futile dreams of a second home in the cool North. No South Tyrolean farmer will sell them even the smallest bad field.

Exuberant in their young self-confidence, the South Tyroleans may have lost their sense of perspective. Without sensing the ongoing changes in sentiments, they made quite a number of tactical mistakes which heated up the latent discomfort of the Italians to the point of boiling. The last and probably gravest mistake pertains to the war about the village name signs which is actually superfluous. The Magnago party believes that it cannot cope with old German villages continuing to have Italian names invented in 1919. It demands the abolishment of the Fascist designations, thus wakening hordes of sleeping giants.

Parallels to Cyprus and Northern Ireland

The SVP paid for its national trance on May 12, 1985, when local elections took place. This election brought about a landslide of the neofascists who loudly advocate the abolition of autonomy. The MSI, which was of no importance before, is now the strongest faction in the Bozen city council. And wherever else Italians live, the party managed to increase its votes.

Ever since then, nothing has worked in the Bozen-Rome relationship. The new facists put on the brakes everywhere. No less than three fifths of all laws adopted by the South Tyrolean parliament were rejected in Rome. Magnago's main objective at the present time, the introduction of the German language in court and for the police force, does not find a willing ear on the Tiber river.

Silvius Magnago, who has been leading South Tyrol for more than 25 years, considers it beyond his power to keep his province on that sensible, middle-of-the-road course which alone could secure a happy ending.

At this time nobody knows what will happen next. Chancellor Sinowatz brought nothing but question marks back from Rome.

The current conflict between South Tyroleans and Italians in the Bozen province has far more dangerous qualities than its predecessor in the first two postwar decades. This time it is no longer a scuffle between the minority in Bozen and the state in Rome, comparable with the Basque and Corsican problems. It is a smouldering ethnic struggle in the province which is reminiscent of Cyprus or Northern Ireland and can erupt any day. A halfway sensible Middle Europe should have become alarmed a long time ago.

POLITICAL

ITALY

PSI OFFICIALS VEXED OVER SPEECH BY DC'S DE MITA

Milan L'UNITA in Italian 6 Nov 85 p 2

[Text] Right now, the PCI is worried about what the DC may have up its sleeve. Socialist leaders were primed for angry comment at the DC Party Secretary's speech. Opinions from Manca, Borgoglio, and Mancini.

The Socialists did not like De Mita's speech even a little bit. The heavy forfeit he has hung over the government newly risen from the ashes of crisis, coupled with his try at instant sanction for Christian Democrat hegemony within the government coalition was altogether too much for the prime minister's party to swallow. Craxi and Deputy-Secretary Martelli refrained from off-the-cuff comment. Other leaders, though, were more forthcoming, not to say eager. Here is Enrico Manca: "No! De Mita cannot lure us into falling again for that old line about the centrality of the Christian Democrats in the coalition, nor yet the one about the strategic value of the five-party coalition. This latest onset of hegemony-fever is divorced from reality: we find it altogether unacceptable."

Felice Borgoglio, of Transport and Civil Aviation Minister Signorile's leftist contingent, pounded on the same keys. "De Mita's structures overlook one essential point: Socialists do not allow themselves to be squeezed, do not accept anybody's conditions." Is De Mita dealing out all these raps on the knuckles to keep the PSI from getting the idea that it somehow has secured 'sole rights' to any potential parliamentary dialogue with the Communist opposition? Manca finds De Mita's chastisement "futile," but above all he dismisses it as unsolicited and pretentious guidance: "The DC has expressed its support for the government, has kept its political commitments. Well and good. The cabinet will rise again, Craxi says, sounder and more determined than even the DC thought possible. We are keenly aware of this ourselves. De Mita, says the PSI's top economist, is fully cognizant of this, and accordingly has given over trying to encapsulate the Socialist Prime Ministry."

Will the newborn government have a "fixed term"? According to Manca, these are illusions, mere fantasies cherished by the DC: "The PSI will remain an active participant in this political phase, no matter what De Mita may say or do." As for the arguments advanced from the floor by the DC secretary, especially those on the more significant implications of the [Achille] Lauro incident (Italian autonomy and sovereignty), the Socialists -- Manca argues -- "encourage a diversity of judgment, not merely one of tone." The reason why the PSI is running out of patience is --when you come right down to it-- something else. again: its conviction that De Mita is out to strike at the heart of the "swing-role" the Socialist Party and the Socialist government play on the political chessboard. The Christian Democrat maneuver is visible to the naked eye of any leader on Via del Corso. The answer runs like this: "Our role is not merely one of inter-factional mediation, nor is it involved with petty balances." Therefore -- Manca concludes -- there is no room for their efforts to leash us in. Their reach exceeds their grasp."

Too sure of themselves? Already there is conflict simmering between the two major allies. This is how a former PSI Secretary, Giacomo Mancini, sees it. He dismisses the De Mita speech as "tough but unrealistic and, in the last analysis, very weak indeed." Why? "Like a man obsessed," the DC secretary "is concerned only with preserving the status quo." Meanwhile, according to Mancini, everybody else is considering scenarios different from the ones we see now; they may not be practicable right away, but later on they could prove so." Mancini also slips in a malicious little barb of doubt as to the level of political clout and consensus De Mita really enjoys within the DC itself: "Nobody had ever witnessed a secretary of a major party speaking from the floor to a mere handful of deputies from his own ranks. In view of his party's imminent congress, that certainly does not bode well for him."

Or, just maybe, was it the DC summit that picked this way of giving its blessing to Craxi's continued occupancy of Palazzo Chigi?

6182
CS0: 3582/12

POLITICAL

ITALY

NATTA ON FOREIGN POLICY, SDI IN CONFIDENCE DEBATE SPEECH

Milan L'UNITA in Italian 6 Nov 85 p 3

[Text] Here is a broad summary of Alessandro Natta's remarks in the course of the debate on the governmental crisis. Our opposition: Ready to listen, tough to convince: "The Craxi report confirms our negative impressions of the circumstances and the substance of the accord." Issues in international policy-- showdown must involve the overall line. Policy-related ties and the outlook for the nation.

"The speech delivered here by the Prime Minister," Natta began -- "failed to dispel our negative reaction to the manner and the substance of the agreement that was used to raise the prospect of impeachment proceedings against the present government.

These impressions are in fact widely shared by the public and the media, and not only in Italy, but also, I believe, by many of you honorable colleagues of the majority. Rather than a genuine resolution of the crisis, we are told that the issue has been shelved. The real issue before the parliament and the nation is the erosion of a formula and a policy which, in order to perpetuate it, those who favor it have gone to the most paradoxical extremes. The big question facing all of us, first among us the forces of the Left gathered in this hall, has increasingly to do with what must come after this five-party experiment.

Some have said that the controversy and the breakup of the majority would be found to stem from this or that imprecision or misunderstanding, or -- worse -- from a clash of personalities. If this were the case, though, we should be looking at a display of such ineptitude and negligence on the part of those who were knowingly responsible for so bitter a clash in the midst of a delicate international controversy as to make it unthinkable and unacceptable that they be called upon again to govern us!

But if in order to avoid so damning a charge of irresponsibility, we choose to take very seriously, as we do, the motives behind the crisis, then our verdict must be no less severe: because it is utterly absurd for the same coalition and the same men now to be appearing here before us, on the basis of a document in which they maintain the most impenetrable silence as to the events leading up to the controversy and to the breach.

We have not been sparing of criticism or censure toward the top leaders in government, but nevertheless we should have found it wrong to sanction the prime minister or the current foreign minister just when they were under angry attack from the head of a foreign government for exercising their legitimate authority in the performance of their duty to defend essential elements of our national sovereignty. However, the solution they came up with does not save face either for the government as a whole or for those who make it up.

What Happened at Sigonella

It is simply no good pretending, as the document does, that the prime minister made no speech in this chamber on the day he announced his intention to dissolve his cabinet and resign as prime minister. And yet, that very fiction is the basis for the new one just put before us as the agreement to restore the cabinet. That speech, however, is in no way a personal action. Nor have we found anything whatever in the document those agreed-upon views as to the proper and effective behavior of the government, of which Craxi spoke yesterday.

I predict here that our group will submit a document calling on all groups and parties here to take the initiative for a parliamentary investigation of the entire Achille Lauro matter. There is, however, no reason to expect an inquiry to form judgments and perform the political acts that are, as of this moment, indispensable. And in fact, either we must call the prime minister a liar or the extremely grave events he reported call for formal compensation and apology for the grievous harm they have done and for reliable guarantees in future.

In informing us of those episodes (the intrusion at Sigonella, the pursuit of our aircraft, the illegal landing at Ciampino and all the rest of it), the prime minister made the Italian government's protest at acts that violated our national sovereignty clear in no uncertain terms. All that is contained in the document is this: "With reference to the differences that have emerged, the five parties underscore the importance of the necessary explanations and clarifications that have taken place to our mutual satisfaction with the President and the government of the United States, in confirmation of the solid ties of friendship and alliance between us."

Yesterday the prime minister briefed us on the substance of his talk with President Reagan about the matter. We take cognizance accordingly, of the admission which, as Craxi has said, "calls for an objective, in-depth, and unprejudiced study of the trouble that has arisen between Italy and the United States." We approve of that requirement, and we shall ask for a full accounting of whatever is done to resolve it.

We cannot, however, accept as responsive to the substance of the questions defined as "hasty reactions attributable to inadequate information" repeated violations of our sovereignty. Most of all, however, it is incumbent upon us to say that, on the essential issue of NATO bases, the prime minister's assertion that "they may be used by our allies only in the furtherance of the specific goals of the Alliance and in compliance with the rules laid down in the extant agreements," an attitude we share, evokes no echo in the document proffered by the five-party coalition. This is an impermissible oversight which we cannot accept, because we should not like to contemplate the possibility that in the future such a principle might give way to a mere viewpoint expressed by the Honorable Craxi, or the Honorable Andreotti. Our right and our duty now is to discover just how this commitment by the prime minister will be dealt with at the practical level-- partly because it is high time to put a stop to the protracted and pernicious habit of excluding parliament from deliberations over international agreements.

And yet, it is precisely in the light of statements from the Honorable Craxi that that the document becomes even more reprehensible, because it skims over or is totally silent on the most sensitive issues.

Accordingly, one cannot say that matters are right back where they were when the prime minister first apprised the chamber of deputies. There now, for all to see, are the results of the pressures brought to bear to keep us from further probing into the matter of sovereignty and national independence, the issues quite properly raised by the Honorable Craxi.

Yesterday, the prime minister even told us about the latest phase of Italian policy, which calls for helping to find a negotiated solution to the Middle-East conflict. He was talking about an approach which we have encouraged and continue to encourage, even from the opposition benches, because we have long striven to gain a hearing for our contribution and our political initiative.

Here again, though, there is no dodging the fact that we are, in the end, seeking to impose conditions on the PLO that the other side does not require, as if it were not the Palestinian people who are, as of now, denied a land, a country, and a state.

Let us be more alert from now on, honorable colleagues, to any renegeing on Italy's part of an action that was right in every way, even in relation to the truest interests of the people and the state of Israel. We feel it our duty to remind you constantly.

of the debt all Europe, including our country, owes to the people of Israel and to the Palestinian people alike: because it was not only the Arabs, much less the Palestinians, who invented anti-Semitic racism. Not only is it unfair that these innocent Palestinian people should be called upon to pay for everybody's sins; it is also devoid of any chance for a peaceful future for a state of Israel surrounded by the hate of its neighbors. And it is only fair to underscore the gravity of the strike on Tunis: not only as a violation of international law, but as a body blow to the difficult and delicate process of a negotiated solution. What has to be clear to all concerned is that there can be no resumption, no positive approach, without a frank, straightforward recognition of the representative nature and the leading role that must go to the PLO, which despite differences and contradictions, managed successfully, with Arafat, to put forward a reasonable basis for negotiation.

The Star Wars Issue

We are also concerned with several vital aspects still present in the government's position vis-a-vis the issue of arms control and in particular on the matter of the United States' Strategic Defense Initiative. We discern in the Prime Minister's remarks a disturbing ambiguity. First of all, with regard to the defensive nature of the SDI, a nature that is challenged not only by its counterpart, but also by members of the Atlantic Alliance, and is even now a matter of controversy in the United States itself.

In the second place, because the hope of being able to "contain the results of research within effective bounds of control" seems extremely problematical in view of the fact that shows us that mere suspicion of possible supremacy of one side over the other can lead to the gravest imaginable consequences. Nor is a purely theoretical assertion of the principle of consensus adequate to prevent the onset of yet another arms race.

Italy has every reason to voice its views on this issue of the militarization of space with maximum clarity and simplicity, as so many states throughout the world have already done. Here again we are faced with a fundamental issue of our nation's sovereignty and autonomy.

Craxi has alleged that it would be premature now to try to assess the strategic implication of SDI, which "must be the subject of an ongoing consultation process within the Atlantic Alliance," and that, as for the impetus given the process of technological innovation "in the civilian as well as in the conventional military area, the government will be prepared in the weeks ahead to complete the investigative phase and to outline the necessary decisions to parliament."

We cannot accept this order of debate or the seats of power where all decisions are to be taken. Parliament must be vested with the power to make strategic policy decisions. In any case, we reiterate our belief that the "militarization of space" must be repelled, no matter where it rears its head, be it in the U.S. or in the USSR.

There has been talk of "nationalistic knee-jerks," of which even we have been found guilty by reason of our support for the government, as much exploited as unwitting dupes as traitors to our internationalist convictions.

The truth is exactly the opposite. The demand for autonomy is the direct opposite of any and all chauvinism. Chauvinism is the bastard child of an inferior response to patterns of frustration of the spirit and dignity of a national community. And it is therefore a stupid and persistent mind-set prevalent among the dominant classes toward the mighty of the world, an attitude that has historically brought with it the risk of nationalistic withdrawal.

This is why, in our history as communists, we have fought against the image of a brand of internationalism that would be seen as tantamount to surrender to any and all comers, or worse, as underminers of national identity and national autonomy. Let no one forget that it was in part due to the crucial contribution of the communists that the labor movement adopted as its own in the fight against fascism and in the resistance the need for national redemption. And it is for us today to remind a lot of impromptu polemicists that the idea of nationhood is more than a relic from the 1800s, and it does not conflict with, but blends with every proper approach to understanding the need for a broader supra-national community. Our Europeanism can be more deeply rooted as we grow more convinced that only in a Europe that turns itself into a truly political community will full appreciation of the original and unique contribution of each national tradition be possible.

The nationalist-chauvinist spirit emerges whenever there is a tendency to suppress and deny the rights of others, not when we demand our own. This is assuredly not the case in Italy. If anything, we should be blaming our governments for going too far in the opposite direction: the direction, that is, of such pervasive spinelessness as to culminate in surrender as policy, and in humiliating patterns of subjection. We are paying for the quest for legitimacy abroad on the part of every party entitled to participate in the government of Italy. The note of annoyance, as well as the accusations sent us by the office of the President of the United States, cannot be justified in any way whatever, but they also stem in part from surprise on the part of a man urged to establish boss-underling relations rather than relations between equals.

We are routinely accused of anti-Americanism. We should like to seize the occasion of this debate to make it clear that our criticism of the current American administration's actions and behavior or those of past administrations is different from and opposite to any form of preconceived hostility.

There has been, in this connection, a radical distortion of our positions. We have and do reject any Manichaeian sort of position. In a world like the one we live in, where the threat to all mankind is so awesome, so pervasive, crusader attitudes, from whatever quarter they may come, must be spurned, and we do reject them. At the same time, we have emphasized and will continue to emphasize the urgent, overriding need for stalwart defense of the principles of law that, however imperfectly, govern relations among nations.

Once again, it is for this reason that we took the positions known to you all between those policies and those acts on the part of the Soviet Union which we deemed wrong. There was nothing frivolous in the debate or in the polemical clash that ensued. We know now that some of the positions we espoused in good faith but which, in the event, proved to be mistaken, among them the line of good-will gestures based on unilateral moratoria and practical disarmament proposals, have today become a viable political fact. Permit me to remind you here how much all of us, not merely ourselves, owe to the unrelenting quest for any and every possible step toward halting the arms race, a quest to which our beloved colleague and comrade, Enrico Berlinguer, devoted his entire life, right down to his dying breath.

We made it clear at the time that our sustained criticism of the policies and the economic and political models embraced by the USSR could in no way, shape, or form be construed as anti-Sovietism. For much the same reasons, these days we continue to draw a sharp distinction between our criticism of the current American administration, which, for that matter, is itself sharply divided politically, and any form of bigoted anti-Americanism. For example: we look upon it as a very grave error that, in the American President's enumeration of the points of conflict he omits the Middle East and South Africa, and glosses over his own responsibilities vis-a-vis Nicaragua, or vis-a-vis the pitiable condition of so many peoples of Central and South America, including Chile. But, as we see it, these criticisms derive in part from a recognition of the deep contradictions between certain political attitudes and actions and the great American democratic tradition: a contradiction that is replicated in a political line centered on the quest for supremacy.

Knuckling under and answering "yes" to every question or demand does not qualify as proof of truly friendly relations.

We find the DC's demonstration of myopia grave indeed if it found our support for the government's behavior in the Achille Lauro

matter an allegedly calculated plan to exploit the situation and get our foot in the door. What we have here is not merely a case of stretching the truth, although that is, basically, just what it is. This is certainly not the first time we have supported acts and gestures on the part of a government we oppose (I would remind you of our support in the revision of the Concordat, or on the Visentini bill).

Poorly Plotted Policy

Tomorrow, we shall oppose the finance bill, as yesterday we stood up for the Achille Lauro handling or for Mid-East policy, our attitude did not arise, nor will it ever arise, out of any narrow partisan consideration.

It was not we who had to contradict ourselves on the policy for peace between Israel and the Palestinian people, nor was it we who had, for the first time, to take cognizance of the risks inherent in a non-peer status among NATO allies. We have been thoroughly consistent with all our policies, and we have responded to the need and duty of defending the interests of the nation and of peace. The issue of how we ought to remain in the alliance is thrust upon us today, and not only upon us Italians. And it was truly partisan connivance on the part of those who were determined, by hook or by crook, to prevent the parliamentary demonstration of a possible convergence on so important an issue. This helps to explain, too, the absurd development and resolution of the crisis. What was the aim throughout was to obscure political visibility of a matter that, at the time when a major issue of defending the national sovereignty and preserving the peace, necessitated coming to terms with the Italian communists.

I see that we rejoice with the Christian Democrats at their having, at the same time, dealt a blow at their two prickliest allies and silenced the fiery protests of the weakest by regrouping along the dividing-line between the coalition parties. And yet, these party advantages, all tending toward a resumption of that "always the same" that is the tradition of centrism, have strayed very far indeed in these latter times from De Gasperi's concept. What now demotes that neocentrist line to a mere partisan ploy lies in the fact that it is founded upon a distortion of historical fact. That is why we have so many cover-ups and so many subterfuges. It should be a solemn duty -- even a proud boast -- for a government to succeed in building patterns of national unity around the fundamental issues of democracy and the nation. That is the line we have adhered to, and adhere to even as we affirm the need to make our democracy whole and complete through the building of an alternative. On the contrary, though, the DC leaders, utilizing the initiative taken by the Republican Party, have clearly shown that they fear any such outcome: and they fear it because it would mean a weakening of the artificial ideological barrier that they have striven

to rebuild against the prime force on the Left, and also because they are unwilling to back off from a line that would seek the gold star for loyalty to the greatest of the allied powers, a line so pernicious that it has been and still is strongly and responsibly challenged within the DC itself.

None of these artful dodges, though, can hide the fact that if a coalition breaks up over such momentous issues, its recomposition may be viewed as an assumed state of necessity, but not as a strategic ploy; especially when we see the onset of a marasmus in the assumption upon which the neo-centrist decision of the five-party coalition was conceived by its true authors in the DC: the assumption, that is, of a conservative stabilization process already in effect in the more developed world. The truth is that this conviction had won many adherents, even in progressive and Socialist-leaning cultural circles. And out of this fertile soil bloomed the theories of a lay-socialist pole, which failed to meet the tests. Actually, in a conservative and moderate area there is not room for everybody, and in that space the DC's role is still the dominant one. We did not fail to emphasize the novelty of a lay presidency and of a Socialist one, but neither did we fail to point out that neither of them had altered the face of the coalition.

This was clear first in economic policy with the start of the clash on the Left, and only on the Left, with the lamentable results we see all too clearly today. We saw it in foreign policy, where any straying from a traditional submissive line was severely censured.

It would seem high time to admit that the arguments of the dissidents have cut so deep that the whole programmatic and policy line cannot hold. This is why the embalmers and undertakers are gathering around the government. Nothing that moves is to be tolerated, and no price, for anybody, is too much to pay. It is not enough that the reformist challenge or the great reforms are never heard of any more. It is not enough that the Socialists have smashed the Left-wing [local] juntas, even where the Left had 60 percent of the vote. What we need now, according to the new dispensation, is collegial permission to talk to the Communists. Not even the Republican zeal in smashing the progressive juntas was enough: when it came down to the nitty-gritty, some very different interests prevailed.

Conditions Not the PCI's Work

We must stop and ask ourselves about the future of those who stood before the Christian Democrat Party and before the country as Aldo Moro's heirs, facing down the DC's neo-centrist maneuver. It does not seem to me that those concerned voices that were raised and are still rising from the democratic Catholics, crying out against a frightening regression and paralysis, could be refuted.

Today, out of a tangled bag of petty deals and self-serving calculations, we have a government coming back weaker and with less credibility that it had before, even more inadequate to cope with the portentous decisions facing the country, even more vulnerable to conservative nudges and pressures. This is why we proposed, during the crisis, the need for a government with a platform and a practical program, even for the short term. It is a need that is not going to disappear simply because the cabinet has risen from its tomb and returned to life. By now it is clear, even in the majority ranks, that wherever they look, the flimsiness of the government's proposals remains unchanged, and even aggravated.

The prime minister yesterday spoke of the need for "broad collaboration that does not consist solely of the majority," and voiced his hope for "a confrontation of positions not strait-jacketed by conditions and more open to the possibilities for convergence and for agreed-upon decisions."

I do not believe that the Honorable Craxi suddenly means to support the very same consociative democracy we ourselves, not so long ago, were blamed for advocating.

There you had an instance of serious distortion and flimsy polemics. However, nobody ever heard us utter anything about pre-conditions or back away from open confrontation in search of points of agreement and understandings as to anything that can help this country's workers.

In particular -- I have already emphasized this -- we do not agree on the need for a vast national consensus on the weighty issues affecting the fundamental interests of the nation, in the area of foreign policy.

It must be made clear at the outset, though, that there can be no real consensus unless we enter into the merits of the problem, and find the general line from which each particular provision stems. Our position on the finance bill is direct and clear. We deem it both unfair and inadequate to deal with the grave and alarming economic situation. This does not mean that we shall refrain from pointing out the far-reaching corrections and changes of course that are absolutely indispensable: and we have already done so with our public commitment in our platform proposals.

However, even should the finance bill somehow manage to incorporate the basic correctives we call for, we all know that something quite different is needed when we look at the rates of unemployment, of the deficit, and of our foreign indebtedness, at the sluggish pace of recovery, and frenzied international competition.

There would be, if the words were spoken straightforwardly and not abusively, every requisite for declaring that this is indeed an emergency situation.

The fact is that, year after year, the government and the majority arrive at the table with the same unresolved problems and with admonitions to push through at top speed an endless string of measures. The trouble is that the consensus-building on basic policy cannot be reduced to merely looking at and trying to audit the annual accounts of a bankrupt management. This is how, when faced with financial difficulties, there is an increasing tendency to wipe out the gains so painfully won with the socialized state. Already we hear the voices of those theorists who by now are advocating a return to pure and simple charity for the needy.

We have seen and we have highlighted the resistance, even within the ranks of the majority, toward any such retreat to the past. We are still a long way from pointing out a line that could hold against a drift in a direction hideously unjust to the weakest among us, first of all toward women and the young, and at the same time utterly inadequate to meet the country's needs.

This is why we intend to lead the policy and platform confrontation onto the major issues of a modern reformist line, one that can consider not only the redistribution of wealth produced, but the processes of its formation, and that means the increment of its accumulation and the use of resources for purposes of further expansion.

It is time to turn over a new leaf. There is no dearth, even in the ranks of the majority and in the cultural area with socialist and Catholic leanings, of significant analyses and ideas. The neo-liberal giddiness that mistakes an ideological pattern for a new analysis is, in large measure, simmering down to sobriety. The scientific revolution has brought a radical change for the better in the conditions of production and trade, but, unless we want to turn into the tragedy of technological joblessness, there must be a drastic change in our mind-sets and in our policies.

Our Arguments More Cogent

And this is why we propose starting all over from programs. Some object that, in the long run, we oppose a plan with another of our own. Thus far the communists have been excluded, and now they say that we plan to aim, they say with the alternative, at excluding the Christian Democrats. Even were this truly the issue, it would be proper to point out that the democratic anomaly lies not in the proposal for an alternative, but rather in accepting as fact the theory that there is somebody who must necessarily govern and somebody else who may only oppose: that sounds more like a caste system concept than a democratic one.

Of course, we are well aware that to endow the Italian democratic system with more maturity and new efficiency we must also face up to the massive questions of institutional reform. Our specific proposals, you all know, have not been lacking. It was, however, rightly observed that any serious reform process quickly

proves arduous and, at worst, impossible, if the climate it seeks to generate at the institutional bargaining table is contradicted so constantly as to deny fundamental rights to the opposition, as happens, to cite only one example, in the area of intelligence.

The fact is that the prevalence of the phalanx logic has pushed into the background what is the true substance of politics, to wit: plans, programs, things to be done. All this is stale, outworn stuff, pushed to the outer limits of boredom and incomprehensibility.

Meanwhile, though, some very strong warning signals are going up from our society. While there was much learned theorizing about the ebb tide, the high school students in tens of thousands were going down into the streets, raising the hard, practical problems they face in trying to get an education: about the conditions under which they have to study, about the classrooms and laboratories, and going on from there to voice their serious concern for their futures. A student action unit was revived and shows that it is striving for important goals. More generally, there is a new dynamic at work in the economy, in the makeup of our social classes, and in ways of thinking.

A new dynamic is necessary, accordingly, in politics as well. The logic of the solid phalanx and its array of conditions no longer has anything to offer but immobility and paralysis. The resolution of the crisis was yet further evidence of this de-facto truth, but it could in no way cancel out those dynamic factors and those modifications that the events of the past few weeks have brought about.

One step ahead has been taken: at least in the widespread reawakening to reality. We cannot forget what enormous emphasis was placed on what were defined as the coalition's victories at the polls, nor yet the unvarying corollary of the historic decline of the communists. The prime minister, be it duly noted, did not bring that corollary with him into this chamber, during the summer debate, after the ballot-count was certified. That gloating that always served as the prelude to low blows at the progressive and leftist local governments, was based on the assumption of a 5-party coalition understood as a solid, sealed block, a definitive entity, almost as a super-party in which each component constituted an internal faction. Had this been true, it would have meant, as happened in the days of centralism, the political nullification of the Christian Democrats' allies. But that was not to be. Divergences among the parties and within the parties were already clear over the finance bill, and widened into breaches at the first tragic event: and, on the contrary, the convergences on the Left, though not only there, were not so much the handiwork of some preposterous Machiavello, as the consequence of a solid commitment on an immense and well-defined issue. No illusion yesterday, and hence no disappointments today. The dialogue on the Left is not a need felt only by us; in the same way as solidarity among the democratic force constituents around the vital problems of our

of democracy and of the nation is an enduring and vital necessity to the Republic.

However, neither the one nor the other duty can be performed without the utmost scrupulousness in performing what is perceived as the paramount task. We have no second thoughts about our position on the Achille Lauro matter, nor do we regret our battles this year to protect what we believe are the legitimate interests of the workers and of poor people.

We shall bring this same openness and this same rigor into our opposition to the government that stands once more before us. We believe that our arguments are more cogent now, and that our responsibility to move beyond the unresolved political crisis and to guarantee a new and better future consequently weighs more heavily than ever upon us.

6182
CS0: 3528/12

POLITICAL

NETHERLANDS

COMMENTATOR CALLS FOR MOVEMENT IN RELATIONS WITH SURINAME

Rotterdam NRC HANDELSBLAD in Dutch 28 Oct 85 p 9

[Article by André Spoor, NRC HANDELSBLAD commentator: "Don't Just Wait and See, Improve Relations with Suriname Now"]

[Text] The great UN birthday celebration last week in New York provided more than just a series of speeches, not all of them of equal interest. It brought leaders together from all over the world and led to talks that bridged over the chasm of broken diplomatic relations. Thus the vice president of North Korea and the prime minister of South Korea spoke to one another, Israeli Prime Minister Shimon Peres met Soviet Foreign Minister Shevardnadze, and President Reagan even shook hands with Nicaraguan leader Daniel Ortega.

The Netherlands' highest-ranking representative, Deputy Prime Minister Van Aardenne, did not follow these examples. He did not exchange one word with the head of government of the only country that the Netherlands has bilateral problems with: Suriname.

This was a bit shameful, given the atmosphere in which the birthday celebration was held. In some ways it was also ridiculous. Because where the Netherlands continues to wait with pursed lips for better behavior on the part of the Surinamese regime, Commander Bouterse was invited to talks or received by a whole series of government leaders. Even President Reagan sent him an invitation along with a small number of other prime ministers. Mrs. Reagan included Mrs. Bouterse in her meeting of first ladies to discuss the fight against drugs.

This of course does not necessarily mean that Washington, Brasilia, Bogota, etc. etc. admire every aspect of the now 5-year old military regime in Suriname. There is too much corruption in Suriname and too little protection under the law, too little freedom of the press, and too little democracy, according to a great many observers who know about Suriname. But the reality of military rule is internationally recognized, and the Surinamese political realities are felt by many to be moving rather in the right direction.

The Dutch Suriname policy (if you can call the absence of a policy that) makes a strange contrast to all this. Pending steps towards democratization and improving the human rights situation, the payment of the development funds promised to Suriname at independence by the Netherlands has been suspended. (The Hague decided that in December 1982, when 15 opponents of the Bouterse government were murdered.) Since then relations have been at a standstill. Impasse.

If there is any movement between Paramaribo and The Hague, it is more towards a worsening of relations. There is no longer a Surinamese ambassador in The Hague, and the Dutch ambassador in Paramaribo is being semi-boycotted: the access he once had to the people in power has largely been cut off.

Bitter

Bouterse himself is bitter about the situation, as I found during an extensive conversation in New York. Since what he thought was a fine meeting with Minister Van den Broek in Brazilia in early summer, relations have gone downhill, he feels. He blames the Dutch government, which took the very unfriendly measure of forbidding Prof. Albeda from going to Suriname as an economic adviser, and which responds to all steps to improve the situation of human rights and democracy in Suriname with more "wait and see."

In Surinamese eyes a great deal has already been done on these points. In January a National Institute for Human Rights was established, which Bouterse says is functioning. (The Dutch government is sceptical because the Institute cannot operate independently of the military government. Quite apart from the question of whether this is a realistic demand, you also have to ask whether the Institute should not be viewed as an instrument through which Bouterse is attempting to rein in the not always obedient military police. This view would accord with the opinion of many observers in Suriname itself that the human rights violations are largely due not to abuse of power and arbitrary behavior by the military government but to the leadership's lack of control over high-handed organizations.

Furthermore, the Surinamese say there is a credible scenario for a restoration of democracy. There is the "summit conference" between the military government, unions, and business that is to lead to a Surinamese-style democracy in spring 1987. And it appears that the old political parties like Lachmon's Progressive Reform Party (VHP) and Arron's Suriname National Party (NPS), which were banned until just recently, will take part in that conference.

In Surinamese eyes these are important steps on the long road leading Suriname to a democracy where social as well as political groupings are represented and have a say. But they say they are firmly determined to take that road. (This does not mean to say that the military will return to their barracks. Various recent statements make it clear that for the future the current military commanders see themselves playing a watchdog role on behalf of the people. Does this mean nonetheless that in the long run the cabinet and Parliament will be able to rein in the military's power? In this connection it is striking that VHP leader Lachmon was reported by DE VOLKSKRANT to have told his party last Wednesday that Bouterse is not out for sole power.

Opening

A spokesman for Minister Van den Broek said last 11 June that every step by Suriname, however small, would be met with an opening by the Netherlands. Was that just idle talk, as they say in Paramaribo? Or does the Netherlands feel that Suriname has not taken a single step on the path toward improving the human rights situation and democratization?

If the latter is The Hague's view, then it is a difficult view to argue in the light of the latest developments. Now that a concrete and official dialog has begun between the old political leaders and the military government, there is talk of taking a step, and no small one either. And if at the end of November, at the celebration of 10 years of independence, it should be announced that the political parties will participate in the summit conference on a democratic structure, that would actually be a giant step toward a new constitution, toward consulting the wishes of the people, etc.

The Netherlands's Suriname policy seems to be at an impasse because it stares blindly at the Surinamese reality looking for the moment when it can give the seal of the Netherlands' approval to developments by resuming aid. That is why they just watch and wait. It would be wiser to give priority to restoring good relations with that former part of the Netherlands.

The Hague could follow the example of the United States here, whose new ambassador in Paramaribo, Barber, has done much to improve relations. To be sure, American aid has also been stopped since December 1982 (except for \$0.5 million for military training), but more and more emphatically Washington is showing its satisfaction at the departure of the Cubans in 1983 and the decreased power in Suriname of those considered extreme Leftists or pro-Cuban. The Americans too say that the democratization is going rather slowly to be sure, and that Bouterse sometimes promises more than he delivers, but in their opinion Suriname is inclining more and more toward the West and no longer toward the "bearded devil" in Havana (despite indirect criticism in the UN General Assembly of American policy toward Nicaragua).

Reasons

For the Netherlands, which at this time is still the most important foreign country for Suriname, given the treaty obligations, history, language, and the fact that one third of the Surinamese population is in the Netherlands, there are even stronger reasons than for Washington to do all that is possible to end the anomaly of bad relations. The Surinamese government will not obstruct such an effort: it has such a great interest in normalizing relations that Paramaribo will welcome any Dutch initiative to open talks. My impression is that Bouterse has his suitcase already packed in case The Hague would like to speak with him in his new official capacity of head of government. But it might be that "talks at the highest level" would be going too far at the present time, although the Netherlands generally welcomes and encourages them between other countries in cases of tension and problems. Or let us put it in other terms: it might be that the political climate in the Netherlands, which is determined in part by the Surinamese minority, is not yet ready for contact with Suriname at the highest level.

But this does not mean that we are necessarily condemned to the stagnation of merely wagging a finger in disapproval. There are other ways to bring about quick improvement in relations. For instance, by setting up a bilateral working group or a joint commission that could define the problems and see to it that they are solved. For instance, a structure for consultation, like the one set up for development projects in Suriname before aid was suspended, though with a different task this time.

Finally there is this: it is slowly becoming not just unwise but also inhumane to persist in the present wait-and-see attitude, given the increasingly difficult living conditions faced by the Surinamese people. If in addition we recognize what Dr. Lagerberg of Tilburg University showed in this paper on 7 September--that a number of Dutch mistakes are partly to blame for the problems in Suriname--then there is no reason at all to remain entrenched any longer than necessary in that spasm of moral disapproval. We are wrestling with a Suriname-Netherlands problem where there is blame enough to go around on both sides.

The Netherlands' suspension of aid may have contributed to the present movement from military rule to democracy in Suriname. In any case the steps that The Hague has always talked about are now there to be seen. Especially now, when representatives of the political parties from back when Suriname was still connected to the Netherlands have officially started a dialog with Bouterse, it is time for a flexible, more imaginative Dutch policy. A policy that will soon make it possible once more to play an active role in the only country in the world where Dutch efforts can play a decisive role.

12593

CSO: 3614/26

POLITICAL

NORWAY

SOCIAL EXPENDITURES SEEN AS BATTLE GROUND IN NEW STORTING

Labor Party Newspaper Comments

Oslo ARBEIDERBLADET in Norwegian 9 Oct 85 p 4

[Editorial: "Strong Team"]

[Text] The election provided a result which means in reality that we will now enter one of the most exciting Storting periods in a long time. The center of gravity in Norwegian political activity was shifted from the government to the Storting. In the Storting hall the most interesting political battles will be fought out.

The Labor Party enters this new increase in work with a strengthened and renewed parliamentary group. The election is called a historical breakthrough for the women in the Storting. This is due mainly to the greatly increased representation of women in the Labor Party's parliamentary group. In the previous government term, 33 percent of the Labor Party's parliamentary group were women. Now, this figure has increased to 42 percent.

This situation is also reflected in the Labor Party's representation in the parliamentary committees. After the parliamentary group was established yesterday it is now evident that five of the Labor Party's committee factions will be chaired by women. In four of the committees Labor Party women will take over the leadership for the whole committee.

The last Labor Party national meeting confirmed that a new generation has taken over in the party. The same can be said of the Labor Party's parliamentary group. In the course of two government terms a considerable change in parliamentary representation has taken place.

It is the post-war generation which has taken over now. It is quite certain that they will now determine the political activity and efforts in the coming period.

The situation in the Storting is now such that the Labor Party has a solid basis to achieve a breakthrough for its political solutions in the future. The election gave a clear message that the Labor Party's policy is widely supported among the Norwegian people. A majority of the people want completely different priorities than the ones the Willoch government has advocated during the last four years. In addition, the government's parliamentary basis has been greatly weakened. The situation is so unclear

that the political leadership in the three government parties has not managed yet to agree on how the government should handle it.

Nor does it make the situation much brighter for the government parties that their parliamentary groups are so to speak completely drained of experienced and competent politicians. The complete party leadership in the three governing parties is in government and will have little or no influence on the everyday political activity in the Storting. The best example of how little attractive the parliamentary situation looks for the Conservatives at present is the fact that the former Minister for Industry Jan P. Syse had to be forced to take the position as group leader for the Conservatives.

With the group appointed the Labor Party takes its place with a strong and young team in the different leadership positions. To bring together the group representation in the Storting has never been an easy task. Personal wishes, geographical representation, seniority and expertise will be taken into consideration as much as possible. In addition, the large increase in the number of women this time should be followed by representation in leadership roles and committee seats. It is impossible to satisfy everyone in such a process. The most important thing is to come up with the best overall solution.

Welfare Issue Increasing 'Polarization'

Oslo AFTENPOSTEN in Norwegian 18 Oct 85 p 2

[Editorial: "Election and Welfare"]

[Text] The framework of Norwegian policy is--and will remain--the welfare state which we have built jointly. This year's election was a reaction to the New Liberals' preaching of the blessings which a free play of forces bring about. At the same time it is obvious that the two Socialist opposition parties emerged strengthened from the fight for the voters' favor. Next weeks' parliamentary debate following the King's state of the union message will be marked by these tendencies.

As professor Henry Valen pointed out in a speech recently, it is too early to draw long-term conclusions from the election results. As far as our foremost election researchers are concerned, they have only found one clear trend: polarization continues to the degree that the Labor Party and the Conservatives together are supported by 71 percent of the voters.

With the course of the election campaign the result confirmed that the Conservatives' profile as a socially responsible party was not seriously shaken. The average voter does not associate our liberal-conservative party with a "night watchman state". But neither has the party been able to come forward with the emotional commitment which could have greatly strengthened the support.

The Conservatives' liberal-conservative--or call it social-conservative--foundation is solid and has firm and broad-based support among the people. This is clear particularly after an election campaign which concentrated on collective solutions. Professor Valen concerned himself very little with the so-called "center parties" in his presentation. But the fact that he strongly emphasized the large cities as deployment areas in the fight between the Labor

Party and the Conservatives is a clear indication that the old ideas about who should be in the center are poorly suited for a political analysis. The support for the Conservatives among the adult middle-class has been a long-term trend, and this tells us where the center in Norwegian politics is located.

But there are other dangers in the sea. Besides the division between outlying districts and metropolitan areas during this year's election the gender question will occupy the election researchers in the future. Both in other countries and during recent elections in Norway it became evident that younger men have contributed to the right wave, while younger women vote to an increasing degree Socialist. We believe that Valen is right in his speculations that younger women identify the Socialist parties most with equality and social responsibility.

There is no doubt that this phenomenon has hit the Progress Party, but we expect that later analyses will show that also the Conservatives are being affected. As far as the Progress Party is concerned this is a matter of a punishment directed against the party's hostility towards women, while the Conservatives pay the price for their cool tone in the debate over the soft values. The Progress Party is probably incorrigible. The Conservatives have something to learn.

Stable Majority Seen Lacking

Oslo AFTENPOSTEN in Norwegian 22 Oct 85 p 3

[Article: "Unity in Coalition Strengthened, But: Many Dangers in the Sea"]

[Text] The Willoch government is sailing in turbulent waters, and there are many dangers in the sea. The parliamentary debate following the King's state of the union message yesterday did not give any signal that the coalition is facing a breakdown, as opposition leaders have predicted in the last few weeks. The government has to rely on support for each issue to get a majority for its policy in the future, and the Progress Party will play a key role in many matters. The coalition parties have differing opinions on how to go about getting the support of the Progress Party. Conservative leader Jan P. Syse promised an unbiased and correct conduct towards the two Progress Party representatives who can tip the scale.

The leader of the Christian People's Party and the Center Party used somewhat harsher words towards the Progress Party, and Carl I. Hagen responded by threatening that his party will not agree to the coalition parties simply expecting support from the Progress Party without some form of give and take. The first day of the parliamentary debate gave a new indication from the Labor Party's side that they are not prepared to take over the government power as long there is a nonsocialist majority in the Storting. "The Labor Party can obviously not govern against a declared nonsocialist majority which we have now. We will have this as long as the center parties go together with the Conservatives," says Gro Harlem Brundtland. She added that if the situation should change in the future this would be an expression of a total breakdown of the nonsocialists and a lack of competence to govern.

The Conservatives' new parliamentary leader Jan P. Syse started by reminding his audience that we have had nine governments since 1961, and seven of them have been minority governments. In all these years there has been only one parliamentary crisis--the Kings Bay case in 1963. "But this was a fundamental constitutional conflict," said Syse who predicted a stable working period both for the government and the Storting in the coming four years.

"A government's position naturally depends not only on the situation in the Storting but also on the unity inside," said Syse who assured that this unity is only strengthened in the coalition cooperation.

John Buttedahl, leader of the Center Party, lashed out against Progress Party leader Carl I. Hagen who in his opinion was looking for "media hype" to get greater attention. Buttedahl reminded his listeners that political agreements are usually made very informally and confidentially.

Progressives Enjoying New Power

Oslo AFTENPOSTEN in Norwegian 22 Oct 85 p 3

[Article: "More in the Mass Media Spotlight Than Before: Hagen is Tipping the Scale"]

[Text] "Indeed, we receive greater attention now that we 'tipthescale' here in the Storting!" a satisfied Carl I. Hagen told AFTENPOSTEN last night after the first day of the parliamentary debate. He adds, however, that the attention is first and foremost due to the fact that the Progress Party can tip the scale and to the situation this can create. "The attention from other politicians and media is to a lesser degree concerned with our policy," says Hagen.

During the previous government term the Progress Party's leader very frequently spoke in front of an almost empty parliamentary hall and a press gallery without journalists. Yesterday this was different. There, he had the spotlights of attention directed towards him. There were many parliamentary representatives who listened from their seats in the hall, and the press gallery was well attended.

No Reply

Hagen experienced yesterday that no representatives from the three government parties responded after he had given his main speech. This was a rare event for Hagen, and when AFTENPOSTEN asked him for his comment he answered: "The fact that nobody from the government parties gave a rebuttal only shows that the parties do not know how to handle us!"

Ninety-five Percent

In his main speech Hagen made it clear that the Progress Party does not feel the need for agreements, negotiations or discussions with the government parties.

"It must be the government, which is now a minority government--even if some of their members do not seem to have discovered this so long after the

election--who should feel the need for getting through as much of the government's policy as possible. Permit me to point out that if a three-party government now gets the majority for 95 percent of their proposals, but not the last five percent, they should be quite happy. I will also ask the prime minister specifically not to handle the cabinet question as an everyday matter. It should be a serious matter of significance for the policy as a whole before a Prime Minister puts up his position to get a proposal through.

Below Deck?

Labor Party leader Gro Harlem Brundtland who has extensive personal experience with life on a ship used this metaphor when she was asked in the debate to describe the situation between the Progress Party and the three government parties:

"In the election night the government took the Progress Party on board their parliamentary ship right away. That they are trying with little success to hold Hagen & Co. out of sight below deck cannot hide the reality that the party of the extreme right wing has become part of the government's parliamentary crew." The Labor Party's spokesman for financial policy, Gunnar Berge, caused general amusement when he continued the party leader's use of metaphors as follows: "If Hagen remains below deck for a long time without supervision, this could be risky. Think if he decides to open the bottom valves? Then it can quickly come to an end with the ship going down."

In his "maiden speech" as Minister of Industry Petter Thomassen said that the budget proposal for 1986 means that taxes will decrease for the fifth year in a row both for businesses and individuals. "As a result we have markedly better working conditions for industry, a new climate," Thomassen pointed out.

To be minister of industry can mean sailing in difficult waters. In his reply, the Labor Party's new spokesman for industrial policy, Einar Forde, took the opportunity to wish Thomassen luck with the following words: "I express the wish that he may be blessed with all which according to tradition shall go with such an office!"

"I thank you for this and hope for good cooperation in the future. There will indeed be enough issues where a demand will be placed on both parts," cabinet minister Thomassen answered.

Willoch Issues Challenge

Oslo AFTENPOSTEN in Norwegian 23 Oct 85 p 2

[Editorial: "Straight Talk from Willoch"]

[Text] If a majority in the Storting decides to bring the government down the same majority is responsible for providing a new government. This is in agreement with all parliamentary custom and should therefore be quite clear also to Gro Harlem Brundtland and Carl I. Hagen. Nevertheless, the Labor Party and Progress Party leaders continue their dangerous game based on the parliamentary situation which was created by the election.

In the debate over the upcoming national budget the Labor Party side made demands which amount to several billion kroner in increased expenditures. In

his contribution to the parliamentary debate yesterday Kare Willoch maintained that if there should be a majority in the Storting for this economic irresponsibility the government will step down. However, the Labor Party's leader does not see it as her natural task to give the country a new government. Or as the prime minister said so aptly: The Labor Party leader will have to be responsible for carrying out the Labor Party's demonstration proposal!

However, nobody needs to doubt the outcome. There is no constitutional basis for considering the Labor Party's unwillingness to accept the responsibility to govern if they themselves create a situation where the present government bows out. In this case Prime Minister Willoch will refer the King to the leader of the largest group which contributed to the government's fall, i.e. Gro Harlem Brundtland.

The Prime Minister would rather not leave any uncertainty as to the government's position. But he gave the opposition leader a good piece of advice: If the Labor Party is not willing to take the consequences of its increased budget proposal, they should rather not suggest it than try and flee from the responsibility if it is accepted. Willoch is of course right in that.

As every minority government, the present government, too, must look for support for each issue, and the prime minister repeated yesterday that the government will invite all groups in the Storting to an open, unbiased cooperation. But such a cooperation obviously does not have any sensible meaning if the result would be that an already too expansive budget will be expanded even further during discussion in the Storting. What the government is willing to discuss are wishes for realigning the budget. As the Prime Minister pointed out yesterday, it is impossible for the government to accept a substantial increase in individual areas without corresponding savings in other items.

Thus, the Storting got a clear message and we think it is right that the prime minister took care of that before the special committees start to go through the budget in more detail. According to the government, the increase of public expenditures is close to the limit which economically responsible people can accept. In other words: Now sink or swim!

12381

CSO: 3639/23

POLITICAL

PORTUGAL

AMARAL-COMMISSIONED POLL SHOWS PINTASILGO GAINING

Lisbon TEMPO in Portuguese 23 Aug 85 p 11

[Text] According to the most recent poll by Norma, commissioned by Professor Freitas do Amaral, socialist leader Mario Soares and Freitas do Amaral himself are losing points, particularly compared to candidate Maria de Lourdes Pintasilgo, who asserts herself through the unexpected capture of APU [United People's Alliance] votes (approximately 80 percent) and also by the fact --- politically significant --- of winning more votes from the right than, for example, Freitas do Amaral will win from the left. Nevertheless, it seems certain that Cavaco Silva's eventual candidacy --- as that of Lemos Ferreira --- will hurt the votes for Freitas do Amaral and even those for Mario Soares, if they occur.

Mario Soares is farther and farther behind in the race for Belem. The latest poll, commissioned by Freitas do Amaral at Norma, already including new factors such as Cavaco Silva and Lemos Ferreira, presented some interesting variants. For the first time, Freitas do Amaral is not in the lead. Since the last survey, Maria de Lourdes Pintasilgo rose one point and Freitas do Amaral dropped 4 points, putting both of them above the 30 percent mark; Mario Soares slipped to 16 percent.

Freitas do Amaral's drop is due to the appearance of two new potential candidates. Cavaco Silva already emerged with 9.9 percent and Lemos Ferreira accumulated 2.8 percent. Thus Freitas do Amaral's drop was, after all, less pronounced than was predicted, in view of the split in the area of the center-right and right from which the two above-mentioned names come. Actually, this sector (center-right and right) registered a rise, which already widely passes the 40 percent mark. This means that the left and the center-left still receive the largest percentage of the vote, a fact moreover, demonstrated in all the previous elections. The radicalization between the PC and the PS is simply better known. The communists will never vote for Mario Soares (the poll clearly underscores this fact): 79.9 percent of the APU votes will go to Lourdes Pintasilgo, 2.4 percent to Mario Soares (surprisingly behind) and 2.7 percent to Freitas do Amaral.

Here are some interesting aspects of the poll. According to voters' responses in 1983, to which we will add the PRD [Democratic Renewal Party] later, the parties will vote the following:

CDS - 82.4 percent Freitas do Amaral
11.5 percent Pintasilgo
3.5 percent Soares

PSD - 57.5 percent Freitas do Amaral
10.8 percent Pintasilgo
6.7 percent Soares

PS - 43.4 percent Pintasilgo
34.5 percent Soares
5.5 percent Freitas

APU - 79.9 percent Pintasilgo
2.7 percent Freitas
2.4 percent Soares

The figure of those undecided regarding the three candidates is approximately 15 percent.

Now we will add the PRD:

PRD - 57.1 percent Pintasilgo
13.2 percent Soares
5.9 percent Freitas

One should note that the numbers of the PRD imply a change in the figures of the other parties, since it is not a new electorate, but mainly composed from other parties.

Of those voters who abstained in 83, 16.5 percent prefer Freitas do Amaral, 16.4 percent choose Mario Soares, and 13.3 percent select Pintasilgo. As to regions, the majority of the north votes for Freitas do Amaral and the South for Pintasilgo.

As to the levels of education, Freitas do Amaral wins votes from the majority of voters with a college or high school education and Maria de Lourdes Pintasilgo wins those voters with an elementary or no education.

By ideological denomination

Each respondent was asked his ideological denomination, establishing a table from 1 to 10, "1 to 4" being the left, "5" the center-left, "6" the center-right, "7 to 10" the right.

Freitas do Amaral is the candidate who dominates the center-right, 52.2 percent (of those who named themselves a "6") and also dominates among voters from the right ("7 to 10") with 54.2 percent.

No candidate attained 50 percent from those named a "5", (center-left); Lourdes Pintasilgo leads the way with 36.3 percent, Soares comes next with 29.8, and then Freitas do Amaral with 11.2 percent.

By concluding that Maris de Lourdes Pintasilgo is clearly the candidate of the left and Freitas do Amaral candidate of the center-right and right, Mario Soares is then, a candidate of the center-left, although in this sector --- his strongest hold --- he is overtaken by Maria de Lourdes Pintasilgo, according to this poll by Norma.

13007/12790

CSO: 3542/246

POLITICAL

SPAIN

POLISARIO YOUTH REPRESENTATIVE ON RELATIONS WITH SPAIN

Madrid MUNDO OBRERO in Spanish 10 Oct 85 pp 6-7

[Interview with Baba Sayed, Saharan youth official, by Carmen Monzon; date and place not given]

[Text] Baba Sayed is the Saharan youth official who has come to our country to participate in a congress of young people organized by UNESCO and currently being held in Cadiz. During his short stay in Madrid he was invited by the UJCE [Spanish Communist Youth Union] to attend a ceremony to honor Dolores Ibarruri, at which he gave an address, speaking words of hope about the future between the two countries and revulsion concerning the situation in which his people continue to suffer.

In view of the recent events about which Spanish public opinion is concerned, it is almost essential to solicit Sayed's opinion concerning the expulsion of the POLISARIO representatives from our country, as well as the future of the relationship with the Spanish government, the problem posed by the fishermen of the Canary Islands and the possible methods of resolving it.

[Question] What do you think about the expulsion of Bujari and the representatives of the POLISARIO Front?

[Answer] I believe that it is evidence of a special situation, and deals a very harsh blow to the relations between the Spanish government and POLISARIO.

The government found a pretext in the incident which occurred some days ago, and made a decision which from every point of view is unjustified. We believe that the Spanish government must definitively resolve the existing problem and must assume its responsibilities.

[Question] What in your judgment are the responsibilities of the Spanish government in this connection?

[Answer] The POLISARIO Front has continued to warn the international community of the serious danger run by anyone who enters a declared war zone. At present the Spanish administration is not heeding these warnings, but

continues to ignore them. This is not our responsibility. Our duty is to continue to defend our independence, the sovereignty of our people.

The statement by the Spanish government can only cause our relations to deteriorate, while on the other hand they must exist, for historic and geographic reasons, and we are obliged to cooperate.

[Question] As of the present, how do you view the relations between the two peoples?

[Answer] Despite the errors of the past, the irresponsibility of earlier positions by other governments, and despite the continuous changes in policy, we have always tried to maintain good relations.

Our presence here is motivated by a desire to preserve our relations with the peoples of Spain, who have always supported us. Despite the consequences of the tripartite agreements and the fact that our people have been surrendered, tied hand and foot, to Morocco and Mauritania, our desire since the beginning has been for Spain to stand among the countries recognizing the Saharan Democratic Arab Republic (SDAR). Our presence here is a sign of the desire to develop, maintain and, why not, expand relations with the Spanish government.

[Question] But the achievement of this goal seems ever more distant. Along what lines should the actions of the government be oriented in order to overcome this crisis in relations?

[Answer] Unfortunately the Spanish government has not had the courage to adopt a position. Moreover, with the incident which has just occurred now, it is making this clear again.

The socialist government should respond to the Saharan people, to the Organization of African Unity (OAU), to which it has promised much, more specifically, recognition of the Saharan people and denunciation of the Madrid Agreements, which continue to be the real obstacle to normal relations.

But I believe there are other factors which the government should take into consideration, such as for example the fact that the POLISARIO Front is a liberation movement, that the SDAR is a member of the OAU, holding the vice presidency at present, and that it is a country recognized by more than 65 nations.

I hope that the Spanish government will take these points into consideration, and that the decisions it makes will move in the direction we have always desired.

[Question] But the desires do not seem to coincide with reality, and this incident has taken on other dimensions. What do you believe is the real scope of this conflict?

In fact, use has been made of this incident, which we regret and which cost two Spaniards their lives. However, in no way can the Spanish government push the responsibility on us. We are firmly persuaded that this was a pretext for

putting a premeditated plan, very carefully calculated in advance, into action.

This incident was used to manipulate the state of mind of the Spanish people, to prepare the public and to make the next visit of Hassan II to Spain a success.

[Question] How did you view the presence of the Spanish warship near the Saharan coast?

[Answer] This was obviously a provocation, which could not have been clearer and which we cannot under any circumstances tolerate. We hope that this will not be the forerunner of a return by Spain to the war in the Sahara. We hope that this will not result in a return to this war at a time when Morocco finds itself in a regrettable situation of total isolation internationally, and when, on the military front, it is continuing to suffer harsh blows and defeats. Nowadays Morocco is regarded as a country which is defying the law and which is trampling the conscience of the international community underfoot.

[Question] A serious problem currently faces the fishermen in the Canary Islands, who having always worked in Saharan waters, can no longer do so. What paths toward a solution can you suggest in this connection?

[Answer] I believe that it is the Spanish government which must resolve the problem, and it must act with political courage. To resolve this problem, I think that what must be done is to make contact immediately with the authorities in the SDAR. We are trying by every means to understand the situation of the Spanish fishermen, but in order to avoid incidents like that which has just occurred, the problem must be resolved in an atmosphere of cooperation. For this to occur, the Spanish government must address itself to the SDAR with a view to the definitive resolution of the problem.

[Question] To date, the POLISARIO Front has shown what we might call a certain permissiveness toward Spanish vessels working in its waters. What will happen now? Will you continue to warn vessels?

[Answer] We are continuing to warn the international public of the dangers run by all of those who approach the coasts of the Western Sahara.

But any entry into the Saharan zone will lead to incidents. This is a war zone, and anyone who enters it exposes himself to certain and definite risks.

[Question] How will this affect the Spanish public?

[Answer] We have at all times had confidence in the judgment of the Spanish people, for it is very clear that since 1975, we have never ceased to explain what our situation is.

Naturally, the campaign the government has undertaken has failed completely. It came up against the views of a public committed to the law and the justice of the Saharan cause, and this has been a source of satisfaction to the POLISARIO Front and our people.

5157

CSO: 3548/14

POLITICAL

SPAIN

FORMER POLISARIO REPRESENTATIVE'S REMARKS ON SPANISH RELATIONS

Madrid TIEMPO in Spanish 14 Oct 85 pp 39-43

[Article by Carlos Carnicero, special correspondent in Geneva]

[Text] The Spanish police were categorical. They had orders from the Ministry of Interior that Mr Buhari should have no visitors, particularly journalists. A few meters from the office of the police commissioner of Barajas, half a thousand individuals, the majority of them participants in a ceremony to bid farewell to Ahmed Buhari by the Association of Friends of Sahara, were trying to organize an indignant protest. The slogans they tried to make heard through the walls of the commissioner's office at the Barajas airport included "Felipe, you clod, you have sold out to Hassan"; "POLISARIO will win" and "Friend Buhari, we are with you."

In the midst of this revival of Franco-era methods and procedures, including arrests, Simon Sanchez Montero voice the desire expressed by Ahmed Buhari that there be no incidents, and that everyone should go home quietly.

"What happened is an incomprehensible indignity," Juan Garrigues, a businessman, personal friend of Ahmed Buhari, and one of the few persons authorized to visit the detained man for a few brief minutes, stated.

The following day, Prime Minister Felipe Gonzalez told the media that no such detention had occurred. "There was in any case," he said, "an extraordinarily courteous attitude in a situation in which nerves had to be controlled and actions or reactions which might have seemed extreme had to be avoided."

In commenting on the statements by Prime Minister Gonzalez, Juan Garrigues, who witnessed the arrest and isolation of Buhari, could only state ironically: "Perhaps the prime minister wants to join those who studiously differentiate between 'arrested' and 'detained,' in denying the arrest of Ahmed Buhari. In any case, what is incomprehensible is what the prime minister meant by saying that 'there was an extraordinarily courteous attitude' in the midst of such a contemptible proceeding. Perhaps he was referring to the fact that they did not put Mr Buhari in shackles."

At 6:15 on the morning of 3 October, the police commissioner of Barajas reported that Buhari was taking the plane to Paris. However, the Swissair computer indicated that Buhari's boarding pass had already been collected, and that his destination was Geneva. Spanish police officials made every effort to prevent the Saharan diplomatic representative from making contact with the press.

En Route to Geneva

"This incident, which occurred at a time when I was planning to dine with a group of friends, was designed to prevent the POLISARIO Front from providing further information which would upset the scheme as set forth to the Spanish public by the government," Ahmed Buhari commented. He did not lose his nerve during the night spent in the custody of the Spanish police. Seated on a Swissair DC-9, he utilized the flight to Geneva for a deliberate policy assessment of the Saharan diplomatic situation.

"As a Saharan representative and personal friend of Felipe Gonzalez, and having been in and out of the Moncloa meetings and the Ministry of Foreign Affairs, thus being accepted as an interlocutor and a representative of my country for these past 3 years, I received a clear political message from what happened last night, meaning a rupture and humiliation. What will the attitude of the POLISARIO Front be now? Will it sit back and relax? They know that we Saharans will not accept humiliation and injustice."

Ahmed Buhari showed no sign of losing his calm or abandoning diplomatic comportment despite what happened. He measured his words, and did not let himself be carried away by indignation. While he dealt efficiently with his breakfast, he continued to think aloud.

"This absolutely unusual behavior continues to harden bilateral relations. Now the secondary plan of the Spanish government will have the European community, which Spain has just joined, as its stage. Now they will wage a campaign in Europe in favor of Morocco. In view of all that is happening, one must wonder who decided to sacrifice the poor Spanish warrant officer and for what purpose. There are strange facts which still have not been analyzed. Never before has a Spanish warship stood a mile off the coast of a war zone for so long. Only the POLISARIO Front challenged it. The Moroccan navy never put in an appearance. Its silence can only mean complicity. And there is a fact which we had not made public previously in order to avoid complicating the position of the Spanish government. Spanish warplanes were sent to the zone in the knowledge that the army of my country had the means of shooting them down. What was sought by this action?"

Ahmed Buhari did not want to go into certain issues, such as for example the repercussions the expulsion of the POLISARIO Front might have on Spain's relations with Algeria. The fatigue of an almost sleepless night was evident, and although he did not speak of it, his bitterness at such unbelievable conduct on the part of those who had been his friends all these years was evident.

"We are adamant in the defense of our sovereignty," Ahmed Buhari went on to say. Although we are small and relatively weak, we will not permit debate about the right of our people to exist. But it must be made very clear that we have not gone in search of anyone off their coastline. This is a question of our coast and our fishing grounds, and we are taking them from our enemy. Despite everything, an effort is being made to mitigate a 'regrettable incident,' if the desire is there. Where Spain is concerned there has not been the slightest desire. In all of this, 10 years after the Madrid Tripartite Agreement was drafted, an effort is being made to revise this abominable text. But from the geopolitical point of view, the alliance of Spain and Morocco," the Saharan diplomat added, "means a greater distance from and hostility toward the other peoples in the region. This weakens the Spanish diplomatic presence in the zone. No one should forget that the Saharan people are there and will continue to be. Tomorrow, day after tomorrow, one day, the Spanish government will have to deal with the SDAR, among other things because we are 90 miles from the Canary Islands."

Arrival in Geneva

The DC-9 landed smoothly on the runway in Geneva. As he entered the terminal building, Ahmed Buhari was being paged over the loudspeaker system, with the request that he go to the information booth. A Spanish radio station wanted to obtain some statements from him, but he refused politely. As a diplomat, he preferred to say nothing which might have irreversible future consequences.

"Saudi Arabia," he went on to tell us, "has refused King Hassan of Morocco the money he needs to finance a sixth wall in the Sahara. This Moroccan project is designed to strengthen positions precisely along the coastal area where the incident with the Spanish fishermen occurred. We know that during the visit paid by Francisco Fernandez Ordonez to Morocco, King Hassan proposed to the Spanish minister that Spain participate in the financing of the wall. The foreign policy of Spain with regard to the Maghreb is limited to retaining Ceuta and Melilla. For this reason, in view of what has happened, all kinds of concessions to King Hassan can be imagined. He will visit Spain in the coming months. This is a trip which has been postponed several times. The Spanish government wanted to make thorough preparations for this visit. It had to blot out the most recent socialist gestures toward the POLISARIO Front, like the vote in the UN some months ago."

Finally, the departure of the flight to Algiers was announced. Ahmed Buhari was tired, and anxious to reach the camps in the liberated zone of the Sahara, in order to "sleep for 2 days."

At almost the same time as the Spanish government was expelling the Saharan representative, India officially recognized the existence of the Saharan Democratic Arab Republic.

Including India, the countries which have established diplomatic relations in the SDAR now total more than 60.

Ahmed Buhari said farewell with a handshake and a smile. "I do not know when I will return to Spain," he said as he passed through the airport inspection

area. This was the last chapter in an old story which began 9 years ago, one night in the African desert, when a Land Rover left the sand track, disrupting the peace of the desert night, at more than 100 kilometers an hour. Ahmed Buhari steadied the wheel against the bumps caused by the uneven terrain until he could stop the vehicle. Behind him, Felipe Gonzalez, along with Luis Fajardo, Enrique Ballester and Emilio Menendez del Valle were sleeping. This was a night in November 1976. They were all exhausted by the heat of the desert, the emotions and the solidarity felt with the Saharans living in the refugee camps who had succeeded in fleeing the regime Hassan II was trying to extend to the former Spanish colony of Western Sahara.

Nine years later, now in Madrid, Ahmed Buhari, the ambassador of the Saharan Democratic Arab Republic to Europe, fell asleep in his seat once again. But this time it was on a bench in a police station, on the orders of the government headed by his personal friend, Felipe Gonzalez.

5157

CSO: 3548/14

POLITICAL

TURKEY

DEMIREL DISCUSSES RELATIONS WITH GREECE

Athens TO VIMA in Greek 27 Oct 85 p 5

[Article by Alkis Kourkoulas: "Former Turkish Premier Advocates...Patience"]

[Text] Istanbul 26 October - Suleyman Demirel's spectacular return to Turkey's political scene--despite the ban which theoretically still applies to his person--confirms what Bulent Ulusu, who was nominated premier, told the military immediately after the 1980 coup: "No form of democracy is possible in Turkey without Suleyman Demirel's seal."

Suleyman Demirel, who despite his enforced 5-year withdrawal from politics is among the 10 most powerful men in Turkey (according to recent polls), dwells, as his entourage says typically, "in the kingdom he has created in the hearts of the people."

Suleyman Demirel's strength may be found in this contradiction: he is the balance point of tradition and of the need for today's Turkey to be modernized.

His house in the center of Ankara is always full of devoted followers from all parts of Turkey, who come to pay their respects, kiss the hand of the "father" or the "sage" as they call him. In the large living-room, around the Anatolian patriarch's low armchair, hard chairs, on which those who came to see at close quarters the object of their admiration sit in silence, are lined against the wall.

Those demonstrations of genuine devotion are not particularly pleasing to the military, who view Demirel as one of their most dangerous opponents. But Demirel too, despite his sensational comeback, is careful in his clashes with today's authorities.

Our discussion with Mr. Demirel is about the repeated military interventions he faced in his 25-year political career. "When you are faced with a de facto situation, and here we do have a de facto situation," he tells us, "the only thing you can do is to accept it and try to overcome it. This is what the nation always did and this is what it is doing now as well. Let us hope that Turkey will soon overcome all those problems."

Those words, which strike a precarious balance between political realism and a certain Anatolian fatalism, prompt questions. What are the roots of the army's persistent presence on Turkey's political scene?

"To begin with," he tells us, "it is a matter of tradition. Secondly, there is a form of antagonism with the military. When a country faces its problems with a political government it is very difficult for the army to intervene. Of course, when there is a military intervention, regardless of the reasons that caused it, even bigger problems always arise. After the military intervention of 1960, a big gap was created in the normal functioning of the state. We tried to bridge it but we were not particularly successful either. Personally I don't believe that a military government can solve any problem whatever.

"In no nation of the world were problems solved with with a military government. You in Greece have had the same experience too. What happened in 1980 was not a military intervention. It was a total takeover of authority. It is difficult to judge whether the reasons for this takeover were justified or not. In time wounds, political and social, will heal. I hope that the nation will soon return to democracy..."

Turkey's return to democracy will heal the wounds, but it will always leave questions open as to the "next" intervention of the military. "There can be no guarantee that something of the same sort will not happen again," Mr. Demirel tells us. "If it happens again, this would not mean that the wish that it didn't wasn't sincere."

Mr. Demirel's optimistic and self-assured remarks hardly mask his bitterness about all that has happened in the past five years. "For Turkey to be able to keep up with Europe it must become a democratic and free nation," he tells us. "It must meet all the requirements of a modern democratic nation."

In this discussion we had, he limited himself to indirect criticisms.

Recently, however, speaking, of the results of the rule of Ozal (who used to be his adviser) he was telling the Turkish press: "We cannot say that Turkey is following the proper course when inflation has reached 40%. Exports may have increased but Turkey is among the 10 nations in the world with the worst distribution of the national revenue."

Back to our discussion again. Greek-Turkish relations are our topic.

"Both countries can reap benefits when relations are good. Of course, problems exist. Problems which did not arise only recently but which came from the past. We must be patient. Both sides must learn to live with these problems until the time comes to dissolve them.

"I don't see why we should push Greek-Turkish relations into bad situations."

I remind him that while he was still a premier he had made declarations which had caused reactions in Athens. "At the time," he tells us, "I was talking about the issue of the extension of Greek regional waters. What I wished to

explain was that if Greek regional waters were to be extended, 500 or 600 kilometers of the Turkish shores would be blocked. This issue is of no vital significance to Greece whereas it is of vital significance to Turkey. I was trying to avoid a confrontation. I was trying to say 'please don't do something like that. If you go ahead you will be faced with serious consequences. There is a status quo, let's keep it.' That's what I was trying to say."

I remind Mr. Demirel that in the past five years it has often been said that the old politicians are responsible for the problems between Greece and Turkey.

"I have no inclination to discuss some of the existing problems, under today's conditions in Turkey. Time will show who was right...I do not comment on what is happening today. But I want to tell you just one thing. Even at the time when there was a military government in Greece, I strove to maintain our good relations. Then too there were burning issues, but I faced them coolly. It is not for me to discuss what is going on today. The only aim I am interested in is the avoidance of frictions and enmity."

Finally we asked Mr. Demirel if he believes, as it is also being said, that it is easier to solve Greek-Turkish problems under present conditions in Turkey.

"Undoubtedly it would have been easier to deal with those problems if we had an open regime. In military regimes, although there is no public opinion, those who govern are cautious, because they know they will be called to account. With open regimes, I believe that everything can be solved. It will take more time, but the solution reached will be more stable."

12278
CSO: 3521/41

POLITICAL

TURKEY

DEMIREL ASSAILS MILITARISM, 'ARTIFICIAL PARTY SYSTEM'

West Berlin DIE TAGESZEITUNG in German 31 Oct 85 p 8

[Interview with former Prime Minister Suleyman Demirel by Omar Seven in the former's house in Ankara, date not given: "Turkey Is Not Yet a Civilian Society--Former Turkish Prime Minister Suleyman Demirel Takes the Ruling Military to Task, Criticizing the 'Artificial Party System' and Militarism"]

[Text] For the left he used to be the incarnation of evil. Today the conservative politician Suleyman Demirel is considered a hero of democracy, an apostle of freedom. Even part of the left regards him now as a crucial counterweight against the military and the system established by it. For 10 years he was prime minister of Turkey. Then, in 1971, the military forced him to resign. It did not take long for him to stage a comeback. When the military staged a coup in 1980, Demirel again was the prime minister. This time he was even sent into exile. Today he is the most courageous critic of the regime and "guided" democracy. He received [representatives of] DIE TAGESZEITUNG [TAZ] in his heavily guarded house in Ankara. On his desk were a great many books--the Human Rights Convention, the various Turkish constitutions and, believe it or not, Rudolf Hilferding's "Das Finanzkapital" [Financial Capital].

[Question] Mr Demirel, you have made the following statement: "A politician in Turkey is a person without security. He is led to a microphone, and then come the police, courts, prison and exile. Such a system does not produce politicians." What are the causes of this state of affairs?

[Answer] I said so in regard to what had happened in Turkey. You see, the military interventions derive their own justification from the alleged failure of the politicians and politics. What happens in the wake of this? A new era begins, and there are again politics and politicians.

I wanted to draw attention to the blow which military interventions deal to politicians. As a result of the elimination or destruction of the political cadres every 10 years, Turkey becomes impoverished. People say that there is freedom of speech in Turkey, that political activity is free and that the

political parties are an integral part of democracy. That is what is stated in every constitution, including the one of 1982. But with every coup by the military, these institutions, which they claim to be indispensable components of a free democracy, are devastated.

What happens then again and again? They put a microphone in the politician's hands, put him before the cameras and say to him, "Speak." He speaks. Then he is told: "You have not talked well; you have talked poorly." They grab him by the neck, put him on trial and dispatch him into exile or to the gallows. Under such conditions, politics and politicians cannot feel secure in Turkey.

[Question] The National Security Council, shortly before it disbanded decreed Law No 2969 which prohibits any praise of the past or criticism of the military administration. Probably also as a result of this law, your voice was hardly heard in public, but lately both Ecevit and you have made statements more frequently. Deputy Resuloglu of the ruling Motherland Party (HNAP) is demanding that Law No 2969 be abolished. What is the cause of these changes?

[Answer] It is not my fault that no public statements by me were published for a time. Because of martial law, there was not a single paper that could publish my statements. As recently as last year, it was impossible for statements of mine merely dealing with economic questions to be printed. Moreover it was a source of discomfort for those in power at the time when the people showed their affection for me on various occasions. Those in power became restive whenever any photos of me appeared on the occasion of weddings.

There has of course been a parliament now for almost 24 months. It is well known what kind of elections created it. In Turkey one is not turning toward a civilian society and democracy, as one ought to.

[Question] So the new party system is not stable?

[Answer] It is artificial as far as the parties represented in Parliament are concerned. You see, there must not be any state parties; the parties belong to the nation. It, not the state, sees to the founding of parties. In embarking on the national elections of November 1983, one took a decreed administration into the bargain. The party system was organized accordingly, with three parties being admitted to the elections, and three parties not being allowed to participate.

[Question] You have talked about the leftwing voters' potential being reflected in a single party, in the past and in the future. The Motherland Party has gathered part of the right voters' potential. Is the rightwing voters' potential not being split by the unconditional opposition against Ozal adopted by a wing of your former party.

[Answer] The Justice Party has been dissolved. It does not exist any more. But of course one cannot dissolve the supporters of the party. Nor can one dissolve a point of view. Millions of Turkish citizens who support the Justice Party and have applauded it cannot be forced to support something

which at bottom they do not believe. Besides, the Motherland Party does not represent a political claim in the sense of "we are right" or "we are left." Its leaders say that they have combined four trends. They do not refer to old points of view, to old trends. They behave as if Turkey had started to exist a couple of years ago. This is a great error. If one approaches the question by saying, "We must not split," one finds oneself in a situation in which one supports things one does not approve.

Your question also takes in the problem of democracy and militarism. Militarism is a form of government totally different from democracy. Worldwide, militarism is defined as the intervention by armed forces--in other words, members of the armed forces (maybe the leadership or coming from their midst)--under the pretense that the civilians are incompetent and that they, the military, can govern better than anyone else. In Turkey this was the case in 1960 and also in 1971. I do not want to comment on 1980. There is not a single country in the world which has solved its problems by letting its military guide its politics. Nor is there a country in the world where the military put its finger in politics and did not ruin itself in the end.

[Question] Owing to his neoliberal economic policy, Prime Minister Ozal has been winning approval in circles of international capital and the press of the right. A result of this policy is the forced reduction of the real income of working people. How are these economic measures going to affect the political structure of Turkey in the long run?

[Answer] The impoverishment and the deterioration in the distribution of income in Turkey are obvious. Millions of citizens with little income cannot buy today what they were still able to acquire yesterday. Millions of employees, civil servants, workers, villagers, pensioners and small traders with little income are affected.

[Question] The crucial tool of the workers for defining themselves economically--the right to strike--has been substantially restricted.

[Answer] Right. These rights--the right to strike, a free labor union movement, a free press, a free university, free elections--are tools of a liberal society. There can be no liberal society if these institutions are not free.

[Question] To hear you defend workers' rights arouses suspicion. Before the actions of the Turkish workers movement of 15 and 16 June 1970, your government wanted to restrict labor union rights and submitted a bill with that in view. (Editor's note: During the deliberations about the bill, in fact aimed at dissolving the leftwing labor union federation DISK, a general strike broke out in Istanbul. The strike was lead by spontaneously elected workers councils. The Demirel government proclaimed martial law.)

[Answer] We did not restrict labor union rights. When we ruled Turkey, the workers had as many rights as they have in West Europe. But there is something in Turkey which does not exist in West Europe. When the workers of a country proceed to destroy their places of work or other plants, it cannot be described as workers' rights. The events of 15 and 16 June 1970 were an uprising. It was not a workers movement.

[Question] They were reactions to your bill.

[Answer] No. Surely destruction is no way to show one's reaction. No one objects to unarmed demonstrations taking place in democratic countries. I defended unarmed demonstrations in Turkey. But what does it have to do with workers' rights if, under the pretense of wanting to fight for rights, cars are set on fire and plants are destroyed with sticks one has brought along and stones and even arms? There is nothing in my political career which might arouse suspicion. I am a democrat and have always been a democrat. I support all that is written in the Human Rights Convention.

[Question] In the sixties and seventies you constantly criticized the 1961 constitution and the decision of the Constitutional Court. It was claimed that the 1961 constitution entailed too far reaching rights and freedoms. Is not the constitution presented to Turkey by the military the very kind of constitution you always demanded--except, of course, Transition Article 4, which banned you from politics?

[Answer] No, by no means. Nor is it at all important what a constitution looks like. You can come up with the best constitution in the world--if the procedure is not right, the result must not be endorsed either. Constitutions are a treaty between state and society. But one cannot dictate it unilaterally. Secondly, one submits the constitution to the people in a referendum and says that the only vote permitted is "yes." Under such conditions his constitution cannot be endorsed even if it accords with my ideas.

[Question] In 1976 you said: "What is needed is a constitution not based on the division of powers and one strengthening the state."

[Answer] Yes indeed. However, I seek a strength based on democracy. The state in my country must function exactly like the state in the West European countries. I seek strength not in the use of force but in a state based on the rule of law. Our difficulty was that we were unable to lend any authority to the rule of law.

[Question] Your position "A Turkey with a vote: aroused interest, with your attitude being interpreted as democratic. Observers in West Europe pointed to your past, however. You formed a coalition government with the extreme rightwing fascist National Action Party (MHP). Special courts were established under your administration. Is this not a contradiction?

[Answer] No special courts were established under my administration.

[Question] I mean the state security courts.

[Answer] Actually the state security courts are institutions produced by the phases of 1971 to 1973 with the support of Parliament. Nor did we have the strength to see to an amendment of the constitution. Besides there are state security courts today as well.

There are similar courts in various countries of the world. The special security courts do not make me antidemocratic. They are courts within the legal framework.

[Question] In your bill about the special security courts, the presiding judge and the prosecutor were appointed by the Cabinet.

[Answer] If there is a crime, it is exposed. You have the right to appeal. The need for the special security courts arose in this country because we had difficulties with regular courts whenever it was a question of crimes against the state. Since it was founded, Turkey has not been able to try crimes against the state before regular courts. Invariably military courts were established. By comparison with them, the special security courts are a step forward. They accord with the legal order.

[Question] In your bill crimes concerning strikes and wage disputes were assigned to the special security courts.

[Answer] This stems from the events of 15 and 16 June 1970. We did not manage to maintain order in Turkey. We sought solutions for maintaining order before a military administration was imposed on us. There are no tears, not a drop of blood, no untoward events burdening our past. We ruled in Turkey for 10 years.

The MHP was a legal party and was represented in Parliament. The National Salvation Party was a legal party and was represented in Parliament. I cannot accuse a party represented in Parliament and declare it to be undesirable. Moreover no proof of guilt has yet been produced against the MHP these past 4 years.

[Question] There existed ties between the idealists associations and political murders.

[Answer] The idealists associations were not sentenced, some members of theirs were. I do not defend anyone here. I defend nothing that is not within the law. It is not admissible to anticipate sentences on the basis of some occurrences. It remains to be added that at the time I issued a directive to the military authorities to apprehend anyone guilty. I cannot declare a legal party to be illegal just because some people do not like it.

We also formed a coalition government with the MHP between 1975 and 1977. During that period the chairman of the Republican People's Party, Sulent Ecevit, made grave charges against the MHP. Then Ecevit assumed governmental power for 22 months. During those 22 months Ecevit had all the files of the state available to him. Why then did he not make application to the Constitutional Court for the MHP to be banned? I only revealed the behavior toward a legal party. It is unfair to reproach me for that.

[Question] The Ozal government has retreated in the question of amnesty. There are political prisoners in Turkey who were sentenced because of their opinions. As a rule they are leftists. Because of publications of books

or translations, people were sentenced to 5 to 10 years in prison. As former chairman of a conservative party, what do you think about an amnesty for these people?

[Answer] I was the chairman of a nationalist, liberal and conservative party. I am a man who espouses liberal and democratic ideas. I reject the sentencing of people on account of their views.

In any case, it is not possible to punish opinions. Thoughts are in a person's head. It is not possible to punish a man walking in the street because of his thoughts. Such a thing does not exist in Turkey either.

[Question] It does too. We were talking about the authors of books and translators, Mr Demirel.

[Answer] To publish books and to translate them is something else. I am against anyone being sentenced on account of books. I look to see if someone is guilty of an offense or if there is evidence of incitement to crimes. If there has been an offense, you cannot allow those who incited to it to remain unpunished.

[Question] In the case of essays and books, incitement can be interpreted all kinds of ways.

[Answer] I regard it as a clear exception for books or essays to be able to be interpreted as incitement to a crime. If there is such a thing, they should be included in the amnesty.

8790/12955

CSO: 3620/94

MILITARY

EUROPEAN AFFAIRS

DUTCH ARMY BUYS SWEDISH ANTITANK MINES

Stockholm SVENSKA DAGBLADET in Swedish 1 Nov 85 p 8

[Article by Erik Liden: "Big Order for FFV [National Industries Corporation]"]

[Text] A new large order, this time from Holland, will be contracted soon between FFV in Eskilstuna and the Dutch army. Four hundred million kronor worth of anti-tank mines will be ordered before Christmas. Only West Germany's 500 million purchase in May of this year is larger.

FFV has recently been able to sell defense material in the amount of almost three billion kronor. Ninety percent of this was for export. In the meantime, orders from the Swedish defense department of both mines and the anti-tank weapon AT4, which the U.S. bought for 2.2 billion kronor together with the manufacturing license, have fallen behind. Therefore FFV welcomes these large orders from abroad.

Full Width Mine

Anti-tank mine 6, which is the technical name of the FFV product, is a so-called full width mine, that is, it is triggered and has effect under all of the tank. Older types of mines require the track to go over the mine and to be damaged in this way.

The new mine explodes with a real stream of force through the bottom plate, sets off the ammunition, and causes great damage within the tank.

When West Germany bought this mine for 500 million kronor, it was a compensating purchase for the 20 anti-tank helicopters Sweden bought in 1984 from MBB in Munich.

The demand has been raised by Holland for purchase from Sweden in connection with the mine contract. The well known Fokker aircraft factory in Amsterdam as well as Philips have products that are needed in Sweden, for example, transport aircraft and radio and electronic equipment.

Negotiations with India

Even India is negotiating with FFV on the purchase of mines, but just as with the expected military orders for the artillery howitzer 77 from Bofors and the infantry cannon vehicle 91 from Hagglunds in Ornskoldsvik, the negotiations will be extended.

The Swedish army will soon order the anti-tank missile Bill from Bofors for 1.3 billion kronor and AT 4 from FFV for 250 million kronor.

9124

CSO: 3650/63

MILITARY

AUSTRIA

PERSONNEL, EQUIPMENT NEEDS OF ARMY NOTED

Vienna DIE PRESSE in German 4 Oct 85 p 3

[Article by Peter Zehrer: "An Army of Unused Opportunities--Austrian National Defense Could Do More Than It Does"]

[Text] Vienna--After 30 years the Bundesheer [Federal Armed Forces] is entering new phase. Not so much because next year the so-called intermediate phase of implementing the national defense plan will come to an end, to be succeeded by the "enlargement" phase, but rather because this will impose greater requirements than had been expected to date--especially political courage. And, in the words of Defense Minister Friendhelm Frischenschlager on the occasion of welcoming 23 newly hatched Army general staff officers: "The unequivocal public commitment to national defense on the part of political functionaries as a task incumbent upon all citizens is of particular importance for defense policy and defense psychological reasons." In the final analysis, this determines the motivation of the soldiers and thus the quality of the Bundesheer.

Army commander Hannes Philipp has no illusions about that motivation. "We are better," he says, "selling the militia concept than we are at implementing it. Motivation must lead to the individual soldier's realization that he has accomplished something worthwhile." And that realization is not all-pervasive.

The primary example of this concerns the "uninterrupted service" soldiers, i.e., those basic trainees which the Army was hoping for under Philipp's predecessor, Emil Spannocchi, because at the time it had an urgent requirement for so-called "system-continuity people." Today these soldiers who fulfill their entire 8 1/2 month active service duty without interruption have become a drag on the defense concept. And most of the time they are the ones who criticize every aspect of the Bundesheer and who constantly hack away at its image, which indeed could stand some polishing anyway--and who, as even the Army commander admits, have some justification for doing this. Says Philipp: "You can hardly expect any other reaction. Anyone who after his basic training spends the rest of his military service in an office making coffee, who never participates in any interesting military activity and who is given no challenges will automatically complain about being idle and about the fact that the Army has taught him nothing."

It is an entirely different story with the 6-month service soldiers, i.e., the normal militia soldiers. They are practicing during their entire tour of active duty, are kept busy constantly, which creates a much more positive attitude toward the Army. The armed forces are doing well also with the third group of basic trainees, the 8-month soldiers of the readiness alert force.

The "uninterrupted service" soldiers are not only the built-in grippers; they are a detriment to the Army in other respects also. The way things look now, once they are in the reserve they will never again be called to active duty. They are thus a total loss to the home defense force.

In this respect the general and his minister are in complete agreement: "We just have to make better use of what we have." This is particularly valid in view of the fact that at the end of the "intermediate phase" in 1986 the Army will have about 200,000 men, but at the end of the "enlargement phase" 300,000.

There Should Be Fewer "System Continuity" Soldiers

In this respect, the Army commander will have to use some ingenuity on how to make use of the enormous potential of unused military energy, such as the reserve force of former system continuity [uninterrupted service] soldiers. One option, which would have to obtain political approval, would be a drastic reduction in the number of system continuity men, to make them subject to call-up once again and simply to integrate them into home defense units, which would then give them a place to go in time of crisis, i.e., a mobilization unit.

Another task would be to convince employers to offer jobs not only to people who have already done their military service, but rather to realize that a militia system can function only if draftees go on a few days' active duty once every 2 years for a certain period of time.

As far as training is concerned, everyone from the minister and the Army commander down to the Army field commander are quite satisfied with the system as it stands. There appears to be general agreement to the effect that the Austrian soldier can do his job well after five battalion exercises with his mobilization unit. What he is lacking however, are leaders at the lowest echelons--in the detachment, in the squad, in the platoon. There are serious deficiencies at that level at present.

The unused potential of this Army also includes without a doubt those great numbers of young men who are eliminated for failing to meet the physical standards (which in themselves are exemplary). Added to them are many others who are subsequently discharged by non-Army (i.e., contract) physicians at their first physical examination. "Our physical suitability system is all wrong," says Colonel Rudolf Kumpfmüller, commander of the 3rd Infantry Brigade. "We cannot find fault with the physical standards, which are widely imitated in Europe and which in Austria probably enable us to have the most comprehensive adult health physicals, but rather with the loopholes available to the draftees," adds Army commander Philipp. The defense minister expresses it in simplistic, but accurate terms: "Why should a man with flat feet who

drives a truck in civilian life be unsuitable for us? He could drive an army truck just as easily."

We might take another look at the GDR's People's Army, which is considered to be the best one of the East Bloc. It has no more and no less than 38 different physical suitability levels.

The equipment area is a mixed bag. The Austrian Army has the best infantry rifle in the world, modern radio facilities, tank destroyers and combat tanks which are still functioning well (however, the U.S. M 60 A 1 urgently requires replacement); the armed forces have their own highly efficient motor vehicles (and require many more); and we shortly expect to have a surveillance aircraft which meets our requirements in every respect.

But on the other hand we have artillery which, in the words of Lower Austria Military Commander Ernst Maerker, "dates back to the time of the Korean war, if not World War II"; we are short of grenade launchers and we are particularly lacking those ominous missiles for an effective defense against enemy aircraft and tanks. Despite the fact that "new accommodations for 30,000 soldiers" have been built, many of our 110 barracks are in deplorable condition.

Hopeful Expectation of VOEST Guns and Guided Missiles

The VOEST [United Austrian Steelworks] has for some time been producing a gun which has attracted worldwide attention and which has been called the world's best product of its kind by U.S. artillery experts. But for the time being this gun is being introduced anywhere but in Austria (this will finally be rectified shortly); secondly, for some obscure reason there has been no thought given to procuring it for our own Army. One of the reasons for this may lie in the fact that the government-owned VOEST is more interested in export and does not want the price depressed by a large order for the Bundesheer; another reason may be that once again we in this country are indulging in a holier-than-thou attitude. The "made in Austria" gun which has already become legend, using special munitions also produced domestically, is capable of firing over a 40 km range--and to hit its target. This, however, goes against the letter of the State Treaty, which decrees that Austria is limited to guns with a 30 km range.

The tiresome missile question has from its inception been treated with the same kind of reticence. Division commander Maerker is surely correct in saying that "we are risking the life of the citizen in uniform and our own if we do not make available to him those defensive systems which would enable him to hold his own against an enemy equipped with the most modern weaponry." Says Army commander Philipp: "I am always being accused of being too much of an optimist--when in effect I am only being realistic." He thinks that within the foreseeable future the missile problem will be solved in a satisfactory manner. "We are the only ones who have a State Treaty which keeps us from fulfilling our task of protecting our perpetual neutrality with all means at our disposal. But we can only accomplish this task if we are not stupid enough to keep using the word missile in a provocative manner."

The defense minister uses more careful language: "You can't rush this thing. At this moment we are tilting at windmills of wrong ideas. After the Draken, this is the second Gordian Knot which we have to cut through. But it is a purely political problem. Before I demand a political decision, we must all be fully informed of what it is all about." As far as he, Frischenschlager, is concerned, an antiaircraft guided missile would have first priority, without neglecting the antitank weapons. Judgment on this matter must originate in the National Defense Council. But the question is, what has the Council accomplished, after the 30-year existence of the Bundesheer, to get the politicians worked up over national defense?

A large portion of political courage will therefore be required to attack the unresolved problems and to come up with solutions--as to guns, defensive systems, and also the Medical Service, which still has great jurisdictional problems.

If all those involved in the "comprehensive national defense"--which really should include all Austrians--were to pull in the same direction, we need have no worry about the image of our Army. This will in turn reactivate motivation--and operational readiness.

9273/12947
CSO: 3620/35

MILITARY

FEDERAL REPUBLIC OF GERMANY

ARMORED INFANTRY SEEN VULNERABLE IN DISMOUNTED DEFENSE ROLE

Herford KAMPFTRUPPEN/KAMPFUNTERSTUETZUNGSTRUPPEN in German Jul 85 pp 184-187

[Article by Capt Udo Meyer: "Defense By Armored Infantry - But How?"]

[Text] Introduction

The principle that "only infantry can take and hold terrain" has held true for decades, if not centuries. Toward the end of the 20th century, does this principle still apply to the battle of combined arms in view of the highly increased conventional firepower and the high degree of flexibility, including the utilization of the third dimension by the ground forces?

This article is meant to initiate debate and make a contribution toward defining the combat tactics that should be used by the armored infantry in the defense mode. The key issue will be whether the armored infantry fights the defense battle from emplacements or remains on the armored personnel carrier, only dismounting and fighting away from the armored personnel carrier when situation and terrain so dictate.

An investigation of this question is based on the pattern of war to be expected and the enemy threat on the battlefield derived therefrom, as well as the factors of area --better yet: terrain-- time and forces, assuming the premise of the current NATO doctrine, in this instance forward defense, specifically.

The answer to this question, which is a key issue to the armored infantry, also seems important with respect to the concept of armored combat forces for the 90s.

Pattern of War

It must be assumed that sufficient indicators will be present to determine the transition from peace to crisis and from crisis to war. On the basis of these indicators, the political and military powers-that-be have a sufficient warning period at their disposal in order to initiate measures required by the armed forces to generate a status of defense readiness. The resulting time factor will be discussed below.

How then will the enemy implement its attack after the outbreak of war? Based on the above-described overall conditions, such an attack by the Warsaw Pact will take the form of an attack of a prepared defense involving immediate contact with the enemy.

Prior to, and immediately following the commencement of action, one has to expect intensive air and ground reconnaissance; it will be the enemy's major objective to reconnoiter the most forward deployments of the combat forces as well as deployments in depth as precisely as possible.

The enemy's advance forces will attempt to penetrate the covering area as quickly as possible and destroy our covering forces or outflank them, thus making it difficult for them to remount. At our assumed or determined FEBA, these forces will hastily assume defense positions, which will permit the deployment of artillery forces and the advancing of the enemy's main forces for attack on our prepared defense.

The attack of the main forces is prepared and initiated by heavy artillery burst fire. This phase of attack by the WP forces can be roughly divided into four stages: The first three stages serve to prepare the firing, while the fourth is dedicated to direct firing support of the attacking combat forces.

The first three stages can be further subdivided into:

1. A 10-minute surprise fire on the reconnoitered or assumed front positions of our combat forces;
2. A further surprise fire of another 10-minute duration on reconnoitered or assumed positions of self-propelled mortars, reserves and positions in depth, and
3. A final surprise fire of 20 minutes' duration, again on the most advanced positions as well as on the reconnoitered or assumed deployment areas of our artillery and on command posts.

Following that, the fire will be immediately converted to direct support fire against the attacking combat forces. This is a smooth transition and is therefore not detectable for our own forces. In order to get an idea of the extent of fire preparation and fire support by the enemy artillery forces, we wish to introduce the WP armed forces standards at this point. 120 guns, including multiple rocket launchers, per kilometer of front are to fire up to 2,040 shots per day of combat in the fire preparation phase, and up to 2,640 shots in the fire support phase, as discussed above. This means that per day of combat 18,720 rounds could be fired on the deployment area of an armored infantry battalion.

The objective of such heavy artillery fire is to keep down our high-angle weapons, to destroy our antitank weapons and deployments and to break the psychological resistance of the soldiers. Not included here is the support received by the attacking units by frontal aviation and combat helicopters.

The battle structure of the attacking units will be as follows: The front line of attack will be tanks firing at reconnoitered or assumed positions of ours, escorted by dismounted motorized rifle units which will dismount approximately 400 to 500 m before our assumed FEBA. Approximately 500 m behind, armored personnel carriers will follow which will be firing at reconnoitered or assumed positions of our tanks or armored personnel carriers through the gaps left by the tanks and motorized rifle units attacking in the front.

What are the consequences of this type of threat as described above for the combat tactics of armored infantry in defense?

a. Reconnaissance

The described intensive air and ground reconnaissance of the WP forces will result in the deployments at the FEBA being determined at a very early stage, i.e., prior to commencement of the attack. For the emplacements at the FEBA, this means that they will be exposed to heavy artillery fire prior to commencement of attack, thus eliminating the possibility of FEBA emplacements and the use of armored infantry dismounted from their armored personnel carriers.

If the emplacements are located deep in the area of defense and the appropriate measures of tactical concealment and deception are adhered to consistently, then reconnaissance becomes considerably more difficult and less probable. Reconnaissance of these deployments will therefore not occur until later or not at all, and they will be subjected to less fire by enemy artillery.

b. Fire Protection

The emplacements as provided for by our regulations only provide very limited protection from weapon effects of enemy artillery. The emplacements do not provide any protection against high-explosive and fragmentation HE shells, specifically those with a delayed-action fuse. In Switzerland an armored infantry company took one month to emplace field fortifications in a fragmentation-proof fashion.

This means that if the armored infantry is to have a realistic chance of survival, its emplacements must be reinforced by structural material of all types in such a way that the artillery fire can be withstood. This increases the time required for emplacing the position considerably. Similarly, the respective material for the emplacement, vehicles for transportation to the site and a larger number of dismounted armored infantrymen will be needed in the future. Thus, access to fixed installations will be necessary more frequently for the dismounted armored infantrymen.

c. Defense of the Attack

In the above-described attack mode of the WP armed forces the armored infantry must, above all:

1. Destroy the enemy ground reconnaissance in the line of security and at the FEBA, at the latest.
2. Simulate the FEBA being in the line of security and thus undermine enemy artillery fire. Specifically at night time and with limited visibility, dismounted armored infantry will be required for this purpose. These soldiers will then be lacking when emplacing the field fortification in the battalion's area of defense.
3. Evade enemy artillery fire, either by movement or by taking cover in deep trenches, as described above.
4. By means of tight fire command and control, the dismounted attacking motorized riflemen must be separated from the tanks first; at the same time the tanks must be fought effectively, then the enemy armored personnel carriers.

For this purpose it would be appropriate to create mixed battalions when restructuring the armored combat forces in order to be able to distribute duties clearly.

It is not possible to utilize dismounted armored infantry at this stage because the terrain must fulfill specific requirements for their use, as will be shown below. Also, their weapons are not suitable for this purpose. The light panzerfaust is a mere emergency weapon, and with the vehicle-mounted machine guns and the use of HE incendiary shells, the enemy infantry can be fought more effectively than with a machine gun. Therefore, dismounted armored infantry has only little chance of being effective in the initial phase of the battle, and on their armored personnel carriers they are subject to great danger, while they cannot be effective.

Terrain

If the principle mentioned at the beginning of the article is to hold true today, the dismounted infantry must fight from emplacements in that terrain which is considered the "cornerstone" of defense. This key terrain can also be in the deep area of defense; the armored infantry, however, should not be used in the most advanced part of the area of defense, as already mentioned and for other reasons described below.

If the operation is to be useful, the deployment of the dismounted troops must be a reverse slope position. Thus, the enemy cannot engage the emplacements with tanks, armored personnel carriers as well as motorized riflemen until he himself is in the range of effectiveness of our small and antitank weapons. This then presupposes a fire sector of up to 300 m approximately.

Furthermore, the positions must be reinforced by barriers, specifically minefields, in front of and beside the emplacements. Bypassing should not be possible. This can be provided by the nature of the terrain, by the preparation of minefields, or by the use of armored personnel carriers to the right and left side of the emplacements. By means of their fire,

bypassing will be prevented, and at the same time the fire of the infantry troops can be reinforced.

Another condition which the terrain must provide is the possibility of the concealed re-mounting of the infantrymen onto the armored personnel carriers. Therefore it would be desirable to have a wooded area or small village located behind the emplacements at a distance of up to 300 m where the mounting could occur, protected against enemy observation and partial weapons impact. This is no unrealistic requirement if one takes into account that in a combat zone of a brigade, up to 25 villages of a population of 3,000 each may be encountered. In addition, 28.9% of the surface of the FRG are wooded areas. Therefore, the terrain should not be the decisive factor in answering the question asked initially, but rather whether the dismounting strength of the armored infantry would be sufficient. Or--to go even further--do we even have sufficient infantry?

Time

The time factor plays a decisive role in answering the question of the armored infantry's combat tactics.

In order to maintain combat effectiveness of the dismounted armored infantry in view of the described threat, particularly by enemy artillery, the emplacements must, as described above, be reinforced to a much higher and better degree than that which is reflected by the present specifications. In addition to forces and material, this requires a great deal of time. This time will be available only if the armored infantry can prepare themselves for defense without enemy contact and pressure. By means of today's means of reconnaissance, specifically airborne reconnaissance, the time requirements with strict adherence to tactical concealment and deception measures when emplacing the position, will increase even more. Further factors are the soil conditions of the terrain, the available engineer equipment and the material for emplacements.

All of the above will require a minimum of 48 hours to equip dismounted armored infantry to defend emplacements. If this time is not available, a different combat tactic should be selected for the dismounted armored infantry.

The second important time factor is given by the evasion and re-mount of the infantrymen onto the armored personnel carriers. Even with precise commands, the circumvention and concealed remounting take a great deal of time which cannot be determined because it depends on the respective situation.

Here are a few thoughts:

1. Premature withdrawal of the infantrymen renders the installation and the emplacement of the field fortification senseless because the infantrymen do not have a chance to fight.

2. Remounting of the troops will frequently have to be done under enemy pressure, with transverse movements not always being avoidable.
3. If the armored personnel carriers support the dismounted infantrymen from positions next to the emplacements, they will already be in close engagement with the enemy at an effective range of only 300 m.
4. Remounting of the infantrymen must not be waived for psychological reasons and reasons of low effectiveness when dismounted.

Power

The armored infantry is most powerful if all elements, i.e., APC machine gun, MILAN antitank gun and the dismounted infantry, enter into simultaneous operation from positions favorable for their respective weapons. This subdivision in three parts does create command problems, however, which cannot be solved in view of the present command structure, particularly since platoon leader and company commander are to fight as well. We do not wish to go into further detail as far as the elements of the APC machine gun and the MILAN antitank weapon are concerned.

The armored infantry of the 90s, however, must insist on the elimination of the MILAN antitank weapon from the armored personnel carrier. Until that time, the MILAN antitank weapon should generally remain on the armored personnel carrier in combat. This means, however, that two soldiers less can dismount per armored infantry platoon. This reduction in dismounting strength, however, can be tolerated better than a division of the armored infantry into three parts. In addition to the command problems mentioned, this would result in an even further reduction of the dismounting strength of the armored infantry platoon in the emplacements by a total of 4 soldiers.

The forces available per armored infantry company for the emplacement and the subsequent battle from the emplacements total approximately 45 soldiers, who are to create an emplacement of 500 m in width and defend it. This seems unreasonable for two reasons:

1. The fortification of a position consisting of emplacements, communication trenches between the individual emplacements and to concealed terrain in the rear for remounting exceeds the capabilities of these soldiers and is too time-consuming.
2. Given this width, the dismounted armored infantry can no longer be commanded. Calling out commands and reporting over a longer distance than 10 m from emplacement to emplacement is not feasible without having to compromise on performance.

It would therefore be realistic to have a maximum width of 300 m in open terrain. In built-up or wooded terrain the width even has to be reduced, depending on the nature of the terrain. As a maximum of 16 soldiers can dismount per armored infantry platoon, only a combined operation of the dismounted infantrymen of the company makes sense.

The armored infantry, due to the division in mounted and dismounted mode of operation in defense, comprises a static element--the emplacements--and a dynamic element--the armored personnel carriers. As the battle must be fought flexibly in defense as well, the emplacements must not be located in the most forward part of the areas of deployment of the companies; otherwise, the emplacements would be encircled at an early stage, or the infantrymen would have to re-mount prematurely, thus eliminating further action from the emplacements.

Summary

The principle listed above that "only infantry can take and hold terrain," still holds true today. However, some preconditions must be met in order to be able to fight a successful battle from the emplacements.

1. The dismounting strength of the armored infantry must be increased. A minimum of 8 soldiers should be able to dismount per armored infantry group.
2. The MILAN antitank weapon should be taken out of the armored infantry group.
3. The emplacements must not be located in the most advanced area of defense of the battalion.
4. The position of the dismounted infantry should be a reverse slope position in open terrain which cannot be bypassed.
5. The small arms and hand-held antitank weapons of the dismounted infantry must have a larger range than they have at present.
6. The positions must be reinforced by additional material in such a manner that the described artillery attack can be withstood.
7. Sufficient time must be available for preparing emplacements.

If items 3, 4, 6 or 7 cannot be complied with, a dismounted operation of the armored infantry in the defense mode cannot be recommended. It is always advisable, however, to utilize dismounted armored infantry in the key defense area.

This dismounted operation, specifically the emplacement and the reinforcement of the positions, must be practised time and again during training. The soldiers should attend artillery firings as spectators and thus be made aware of the effects of the weapons and thus the necessity for intensive emplacement activity.

In conclusion it must be emphasized that at present the infantry component is frequently not given adequate attention by the armored infantry. This must be improved, because the change-over between mounted and dismounted combat tactics constitutes the very strength of the armored infantry.

MILITARY

FINLAND

AIR FORCE CHIEF MERIO REITERATES NEED FOR ADDITIONAL HAWKS

Helsinki HELSINGIN SANOMAT in Finnish 18 Oct 85 p 14

[Article by Martti Heikkila: "Air Force Commander Rauno Merio: Hawk Trainer Planes Are Now Bottleneck of Training"]

[Text] "If you want Finnish fighter plane pilots to still be of the highest international caliber, then the Air Force must have additional Hawk jets for training. Everything depends, of course, on the funds available, but if a defense branch commander does not watch out for the interests of his own men, no one else will." Lieutenant General Rauno Merio, commander of the Air Force, sits in the cabinet of the General Staff's central pavilion and tries to explain why 50 or so new Hawk planes are not enough to replace the 80 obsolete Fougas.

Forty-six of the 50 British Aerospace Hawk planes procured for Finland were assembled at the Valmet factory in Kuorevesi. The first four were British from start to finish. When the final one assembled in Finland, number 46, was delivered to the Air Force in Kuorevesi, Merio said additional Hawks were needed.

How many, it was asked. Thirty, so that there would be as many Hawks as there were Fougas? Thirty would be a suitable number, said Merio. Now he wants to add: "Thirty is one alternative, 15 a second, 20 a third. It depends on how well you want to administer the training of Air Force fighter plane pilots. Money and attitude decide."

"Backbone Must Not Crack"

Merio characterized the Hawk planes as the backbone of the Air Force. "And if this backbone breaks, we will not turn out a single fighter plane pilot." The Hawk serves as the backbone because of its versatility. Pilots switch over to flying the Hawk after they have received primary training in the Vinka propeller planes and done enough "flying" in the Hawk simulator. On the other hand, fighter plane tactics can be practiced very meticulously with Hawks, and it becomes significantly cheaper than if the same patterns were flown with first-line MiG and Draken planes.

The shortage of Hawks is seen most clearly in advanced training, says Merio. According to him, there are no problems in early-stage training, even though claims to the contrary have been made. It has been said that Finland's method

of using only three types of airplane in fighter pilot training would no longer succeed in modern times, and it has been asserted that the jump from the Vinka to the Hawk is too big.

"Have to Take a Look at What Kind of Plane It Is"

"Abroad, we are even branded as crazy, but I say that our system works. Between the Vinka and the Hawk there is only a mental threshold, nothing else." The turbopropeller plane Turbovinha being developed by Valmet is supposed to be an intermediate type between the Vinka and the Hawk. The new prototype of Turbovinha now under construction is a sequel to the one which crashed during a test flight last spring.

Merio does not want to assume an overhasty stand on the suitability of Turbovinha as a plane for advanced training. He only says: "We now have to take a look at what kind of plane it really is." Valmet's efforts to sell Turbovinha abroad may be utterly fruitless if its own country's air force does not take it into use.

More Is Now Taken Away From Planes

"In a couple of years, there will be three all-weather fighter plane squadrons in Finland. There was only one of them when the Hawks were procured. Fifty percent more fighter plane pilots are now being trained than before. Operations have expanded substantially, and for this reason more must be taken away from modern trainer planes than before," explains Merio.

Yet the Hawks have held up well, he says. Defects in the brakes--which people knew about even in the acquisition stage--are being corrected. There has been no other structural flaw in the planes, according to Merio. It has been reported in public that it was necessary to reinforce the Hawk's wings or at least exchange parts of the wings' front edge. Merio refutes the claims about wing reinforcement as totally without foundation and even as a downright smear.

It is believed that Hawks could be used in Finland the same way they are in England, whose Royal Air Force has installed Sidewinder missiles in its own planes. AIM 9L Sidewinder missiles can be shot at the target from the fore-sector. This means that the combat plane does not necessarily have to reach the object which is to be rebuffed--so a slow trainer plane could, when needed, be used as a poor man's fighter plane.

It is not now opportune to obtain missiles for the Hawks, in Merio's opinion. "Instead, birch cordwood could be suspended under the Hawks' wings so we would have a chance to rehearse the planes' behavior with a missile cargo."

So when will the birch cordwood appear under the Hawks' wings?

"The cordwood has not been lathed yet," says Merio.

Timing of Obligation?

"It has not been my purpose to provoke an actual discussion about numerical strength. In my view, now was the right time to bring up the matter, when

the last Hawk was finished. New ones would be needed no later than the turn of the next decade."

Merio does not want to assume a clearer stand on the competition for appropriations among the commanders of the defense branches. "The Army has earned its additional armaments; ditto the Navy. The obligation of the Air Force commander is to talk about the Air Force's needs. Whether there is a realistic possibility for filling those needs depends on money and the attitude toward air defense."

12327

CSO: 3617/16

MILITARY

FINLAND

BRIEFS

ADDITIONAL ARMORED PERSONNEL CARRIERS--The Defense Forces will be supplied with supplementary armored personnel carriers, so-called Pasis. On Thursday the government authorized the Defense Ministry to order 20 new Pasi armored vehicles from Sisu-Auto. The government insists in its decision that Sisu-Auto obtain from the state factory in Vammaskoski the subcontractor work which corresponds at least to the value of the vehicles' armored bodies. The contract means 1 year of work for about 60 men at Sisu-Auto and 5 men at the Vammaskoski factory. The Pasi vehicles are 90 percent domestic. Fifty similar personnel carriers were previously ordered for the Defense Forces and nine vehicles for the UN's Finnish supervisory troops. [Text] [Helsinki HELSINGIN SANOMAT in Finnish 18 Oct 85 p 15] 12327

CSO: 3617/16

MILITARY

PORTUGAL

JUPITER-85 JOINT MANEUVERS WITH SPAIN

Lisbon DIARIO DE NOTICIAS in Portuguese 30 Oct 85 p 4

/Text/ The Jupiter-85 military exercise will involve the participation of 1,528 men, 43 aircraft, and 17 helicopters as well as Portuguese and Spanish paratroopers during the operational phase, between today and 5 November, in the Monfortinho area, it was announced yesterday.

This troop concentration began last Monday and Jupiter-85 will reach its high point on 8 November with a live-firing exercise (from aircraft and mortars) at the Alcochete firing range.

During a press conference, Brigadier Vasquez and other senior Air Force officers and paratroop officers yesterday explained the exercise whose main objective it is to plan, conduct, and analyze air operations, both in terms of defense and in terms of offensive support.

The scenario chosen is that of a war in Central Europe as a result of which enemy forces (orange) invade the peninsula through Spain, from North Africa, then entering Portuguese territory.

The Portuguese forces (blue) attack the orange forces from the rear in the region of Monfortinho by dropping paratroopers and by means of air attacks on enemy positions.

The Jupiter-85 exercise includes helicopter air landings and road marches in complete darkness; the officers in charge believe that, in case of a future conflict, the war would be fought both during the day and at night.

Also participating in the exercise are reserve paratroopers who each year are recalled for duty with Jupiter; at that time they get refresher training in new equipment and tactics.

Brigadier Vasquez emphasized that the name Jupiter was picked because this is the biggest annual exercise of the Air Force, just as Jupiter is the biggest planet and because the soldiers in combat believe that Jupiter means trouble and, furthermore, because Jupiter also is representative of the heavens.

Officers in charge pointed out that Jupiter, as far as the paratroopers are concerned, was the highpoint in a training year during which the instruction they received and the new equipment procured for that force were tested.

In the course of the exercise, 33 Portuguese and 10 Spanish aircraft as well as 10 Portuguese helicopters and 7 Spanish helicopters will be mobilized for 7 days of operations; they will make a total of about 700 sorties; the manpower involved will consist of 1,424 Portuguese and 124 Spaniards (aviation and paratroopers).

The first phase of the exercise will take place today and tomorrow, with simulated air attacks and blue paratrooper drops to establish a bridgehead in the rear area of the orange forces.

During the second phase, which will run from tomorrow until 1 November, there will be a coordination exercise for air and ground units and long-range paratrooper patrols will infiltrate to detect enemy concentrations.

The last phase of the exercise will simulate an attack on enemy pockets left behind.

The Light Parachute Brigade will participate in the exercises; it consists of three battalions, reinforced by a company of Spanish paratroopers, two support groups, and three companies (heavy mortars, AT weapons, and communications equipment).

5058

CSO: 3542/21

MILITARY

PORTUGAL

BRIEFS

POOR NATO SUPPORT TO DEFENSE INDUSTRY--Defense Minister Rui Machete said that NATO is not as prepared as would be desirable when it comes to supporting the countries with intermediate technologies (Portugal, Turkey, and Greece) and tends to favor the developed countries. He also pointed out that in Portugal we have an incipient defense industry but that we can and must try to a greater extent to meet the requirements of the armed forces and to increase our exports. Speaking at the close of the conference on the defense industry, promoted by the Association of National Defense Course students, Machete, referring to NATO, emphasized that "something is going to have to be reviewed here" and that Portugal must insist on the need for the alliance to change its policy in this matter. The problem of the defense industry, he added, is of tremendous importance in the Portuguese case not only because the share of modern weapons in the government budget is significant in percentage terms but also because of the meaning it has in terms of the balance of payments and national independence. /Text/ /Lisbon DIARIO DE NOTICIAS in Portuguese 26 Oct 85 p 47 5058

CSO: 3542/21

MILITARY

SWEDEN

REALITIES IN U-BOAT THREATS, DEFENSE PLANS DISCUSSED

Stockholm SVENSKA DAGBLADET in Swedish 5 Nov 85 p 2

[Article by Fredrik Braconier]

[Text] Submarine violations are definitely continuing. Fleet Commander Claes Tornberg gave this harsh report Monday when he met a group of reporters on Harsfjarden. At the same time that the fleet began its extensive fall exercise and the missile boats were leaving the harbor at Berga, the chief gave his assessment of the situation in the Baltic Sea.

From the Swedish point of view the situation is not particularly encouraging. The Baltic Sea is of very great strategic importance, and all of the long southern part of our country borders on this water area. But even if our naval resources now concentrate quite clearly on the Baltic Sea south of Aland, there is not very much we can do.

This applies to a great extent to the resources available for submarine chasing. In 1990 we can count on having a total strength of one and a half submarine chasing units, while we should have significantly more. And while the enemy submarines have a month's operating time, the Swedish navy is working with the current Swedish working hours.

"It isn't enough that we are half blind; we have one or two arms tied behind our backs, too," as a naval officer drastically expressed the situation.

The bottom line is that the Swedish navy today lacks the means to discover foreign submarines even if it should by chance have vessels on the scene.

This means that the real number of submarine violations undoubtedly is much higher than our statistics show.

And there is no rapid improvement in sight. If the Supreme Commander should obtain sympathy among politicians for his demand for future defense appropriations -- which the fleet chief doubts -- this will only produce a slow improvement in our ability to chase underwater intruders. Today the country's leaders are giving priority to other things.

"It seems to be more important for the coastal defense to look for oil than to be able to hunt submarines," was a bitter comment in connection with the navy's effort to obtain aircraft to be able to meet the submarine threat better.

But the Swedish navy does not occupy itself exclusively with hunting submarines in times of peace. On the contrary, the main mission is to prevent an invasion during time of war under and on the sea.

Can the remaining Swedish fleet accomplish such a task?

The answer is that it depends upon where and when such an attack should come. An attack from the west will hardly be met with any Swedish naval vessels at all. What we have, we have in the Baltic Sea.

A rapid and unexpected attack would also be met with limited resistance. For our defense to have effect, it must have time to mobilize. The navy has attempted to increase readiness with the resources available. But they do not go very far. If things become serious with a short warning, only parts of the fleet could lift anchor.

One morning on the Harsfjarden on board the combined staff and mine vessel Visborg denotes a confrontation between peaceful Sweden and a very fierce environment. The navy's men meet the threat from outside a long way into our own waters while the rest of the country seems to regard the matter with extreme calm or with doubt about the officers' statements.

The politicians are not strengthening the defense forces, and leading members of the media discuss again and again whether violations are taking place at all. In a peaceful world, Sweden would in truth be an exemplary member of the global community. We threaten no one and we do not seriously want to believe that anyone at bottom has evil intentions against us.

May Providence protect such a small, trusting country from the real dangers of the world.

There is the imminent risk that, among other things, the remaining units of the fleet will be insufficient if this confidence proves to be unfounded.

9124

CSO: 3650/63

ECONOMIC

DENMARK

TRADE UNION LEADER, SOCIALISTS LAUD SCHLUTER POLICIES

Copenhagen BERLINGSKE TIDENDE in Danish 8 Nov 85 p 1

[Article by Michael Ehrenreich]

[Text] Prominent stockbrokers in London praised the Schluter government for its political boldness and its results on the front page of the European edition of the respected financial newspaper the WALL STREET JOURNAL. Georg Poulsen of the Metalworkers Union expressed his satisfaction with the falling unemployment rate and Erling Olsen (Social Democrat) also praised the government in the article.

London--The economic trend in Denmark received extremely high marks from several foreign economists and bankers in a front-page article in the European edition of the WALL STREET JOURNAL. A number of notable statements pointed out that developments in Denmark were impressive compared to most other European countries. The article also created a positive attitude and a slight upturn on the stock market.

"What is happening in Denmark is quite extraordinary, compared to other EC countries," said an economist at the brokerage firm Savory Mells Ltd in London, John Lauritsen. "Today certain industries and areas of production (in Denmark) are suffering from a shortage of workers, which was totally unheard of just 1 year ago."

He pointed to the 2-percent ceiling on wage increases, "which no other government dared implement," as the reason for success.

The head of the Scandinavian Section of the OECD, Niels Vesterlund, said that the drop in interest rates had created higher levels of investment and, thus, a greater demand for labor. "The results are extremely impressive, compared to most other countries," he said. Similar statements were made by economists at the EC Commission.

The article, which was written in Copenhagen, was part of a series on unemployment in Europe.

It was noted that Prime Minister Poul Schluter had enjoyed the benefits of relative calm on the labor market, compared to the situation in Great Britain and France, and that the government's results had "won the praise, however reluctant, of Danish trade unions and the political opposition."

To stress this point, the article quoted the chairman of the Danish Metalworkers Union, Georg Poulsen, who said that the government had been "much smarter than previous liberal governments because it has charted a much more austere course." Even though Georg Poulsen rejects the ideological position of the government, he makes no attempt to hide his satisfaction with the drop in unemployment figures: "Unemployment has been a far less serious problem and we are extremely pleased," he said.

A similar appraisal of the government came from former Housing Minister Erling Olsen (Social Democrat): "Even though I oppose the Conservative Party's politics, I must say that they have done something extremely well," he said.

9336

CSO: 3613/25

ECONOMIC

DENMARK

AGRICULTURAL INCOME EXPECTED TO FALL

Copenhagen BERLINGSKE TIDENDE in Danish 15 Nov 85 Sect III p 11

[Article: "Expecting Drop in Agricultural Income"]

[Text] While the record harvest last year helped increase the income of farm families by 6 billion kroner to a total of 17.4 billion kroner during the 1984-85 fiscal year, income is expected to drop slightly during the coming year.

The governmental Agricultural Economy Institute estimates that the income of a full-time operation will drop by about 10,000 kroner, so that the average income will be 210,000 kroner.

A report on the agricultural economy that was released Thursday shows that the income trend in 1984-85 was strongly influenced by the best harvest to date in 1984, which resulted in an increase in vegetable production by almost 50 percent. There had been a drop in this area the previous year.

This positive trend was further reinforced by a significant improvement in agricultural terms of trade, despite falling prices on vegetable products, the institute said in its latest report.

Farm incomes during the 1985-86 fiscal year will be affected by a drop in this year's harvest, although this harvest was above average.

Investments in agriculture rose by about 10 percent last year after stagnating the year before. In particular, there have been large investments in pigpens, where the increase was 35 to 40 percent.

The Agricultural Economy Institute expects investments during 1985-86 to rise by about 10 percent. The institute stressed, at the same time, that it would be difficult to make large investments profitable, especially in the cattle industry. Investments also would be sensitive to even minor changes in interest and inflation rates.

9336
CSO: 3613/25

ECONOMIC

DENMARK

AID PROJECTS FOR CHINA, ETHIOPIA, GREENLAND

Copenhagen BERLINGSKE TIDENDE in Danish 12 Nov 85 p 9

[Article: "61.4 Million Kroner For Foreign Aid Projects"]

[Text] Foreign Minister Uffe Ellemann-Jensen (Liberal Party) is asking the Finance Committee to allocate a total of 61.4 million kroner for three different foreign aid projects.

Danish-Chinese cooperation in the health care sector of China would receive an additional 18.5 million kroner. The project includes the establishment of a follow-up training center in biomedicine in Beijing (Peking), training courses with Danish instructors, instructional material and laboratory equipment for 25 dental schools in China, and a laboratory for Harbin in the Heilongjiang Province. The other two applications are for 16.9 million kroner for the United Nations agricultural and nutritional organization FAO for continuing a fertilizer project in Niger, and 26.2 million kroner for a tree planting project in Ethiopia.

Minister for Greenlandic Affairs Tom Hoyem (Center Democrat) wants to establish a special Greenlandic fossil fuel account, since the exploration and recovery of fossil fuels (oil and gas) in Jameson Land in East Greenland promises to yield an excess of 6 million kroner this year. The three companies that received concessions are paying a total of 8.9 million kroner in fees and, since the state had expenses of 2.5 million kroner for exploration in the area, there is now a surplus. Finally, Agriculture Minister Niels Anker Kofoed (Liberal Party) wants 5.9 million kroner for a new stable at the State Veterinary Serum Institute.

9336

CSO: 3613/25

ECONOMIC

DENMARK

EXPORT POTENTIAL SEEN FOR HOPE ELECTRIC CAR AS PRODUCTION STARTS

Copenhagen BERLINGSKE TIDENDE in Danish 12 Nov 85 Sect III pp 1, 2

[Article by Olav Hergel]

[Text] Ture Barsoe-Carnfeldt will try again. By mid-1986 he plans to begin production of 500 electric cars at his plant in Hadsund. Whisper II is the best electric car we have ever seen, an English car magazine wrote.

The electric car Whisper is on the road again and, according to all indications, this time it will go farther than the barrier at the Forum, where it ended its first test drive. There are still only a few individual prototypes on the road, but the Whisper plant will begin production next year. The initial stage will involve series production of 200 automobiles, which will be manufactured in West Berlin where the present prototype was developed.

Beginning in mid-1986, however, the production of 500 electric cars will begin at the Whisper Electric Car A/S plant in Hadsund.

"And they are already sold," said the man behind the production effort, the director from northern Jutland, former member of parliament and future auto maker, Ture Barsoe-Carnfeldt.

Thirty attempts were made before Whisper II became a reality. Prototype number 31, which has passed all the necessary automobile tests, is light blue, weighs 950 kg, has a top speed of 80 kilometers per hour, and may be driven an average of 75 km on one charging, at a price of about 13 ore per kilometer.

If it gets out on the road, and it will according to T. Barsoe-Carnfeldt, it will cost 68,000 kroner.

Premiere For Electric Car Number Two

Unlike the world premiere of electric car number one, which ran into problems before 3,000 onlookers at the Forum, the premiere of Whisper II was more modest. It took place at a parking lot, with 12 to 14 journalists as witnesses. This time, however, everything worked as planned.

Ture Barsoe-Carnfeldt has learned from his mistakes. He used to operate with grand gestures. This is no longer true--at least when it comes to one of the most ambitious projects in Danish industry: "The production of a Danish electric private automobile under the name Whisper."

The world premiere for the new Danish marvel was held 2 years ago. The scene was the slanting boards of the Forum, but the location would prove to be better suited for a bicycle race than for Ture Barsoe-Carnfeldt's electric car, the Hope Whisper. In full view of 3,000 specially invited onlookers from Denmark and abroad, the Whisper managed to run into a barrier after moving only a few meters. The vehicle sustained more than minor damage. It should be noted that T. Barsoe-Carnfeldt had just assured his guests that the car could withstand being driven into a wall at 60 km per hour. That was the beginning of the end for the "whispering hope" of Hadsund.

World premiere number two was much more modest.

The scene was a small training center at the Laboratory for Energy Research in Odense. The Whisper II itself was demonstrated in a parking lot outside the building. The only witnesses invited to see the beginning of what may become a new Danish industrial venture were 12 to 14 Danish journalists. They were primarily motor journalists, so that the facts and technology of the new automobile will not be lost under sensationalized headlines.

It Ran

And the car, which the English magazine MOTOR described as the best electric car it had ever tested, worked. Apart from a few minor noises and jerks when the accelerator pedal was released too rapidly, it rolled quietly and smoothly.

The event took place at the Laboratory for Energy Research for a good reason. It was here that the electrical part of the car was developed.

"This laboratory has been quite successful. It is the best in Europe and has helped us a lot. The problem has been in the area of automotive technology," Ture Barsoe-Carnfeldt said.

That aspect of the project was carried out primarily in West Berlin, where the first series production will take place. This production involves 200 automobiles, which also will be test vehicles that will be altered during the production process for additional improvements, although the existing prototype has passed all the tests, including the so-called crash test, which the car failed at the Forum.

So far, the project has cost 20 million kroner and 30 million will be spent in the near future. But this money will be recovered. This is not a project that will fold halfway through, Ture Barsoe-Carnfeldt assured us.

Production work on these 200 cars will start in early 1986, but beginning in mid-1986 production will move to Hadsund, where 500 cars will be produced in the initial stage.

During the initial phase, 20 to 25 jobs will be created. Ture Barsoe-Carnfeldt does not wish to reveal any optimistic visions of the future, even though he clearly believes in the small, virtually silent "Whisper."

Visions Of The Future

Others would speak of the future, however. Chairman of the board for the Whisper project, Sir John Samuel of England, who himself has worked with electric cars for decades and is described as an international expert in this field, made no effort to hide his optimism.

"In the United States alone there is a market for 20 to 30 thousand electric cars annually and the potential market is enormous. Also, time is an ally of the electric car. This is because of the environmental question. In Rome, for example, it is not even permitted to drive gasoline-powered vehicles in the center of town. The only individual means of transportation permitted beside the bicycle is the electric car."

9336

CSO: 3613/25

ECONOMIC

DENMARK/GREENLAND

GREENLAND DEMANDS EQUAL DIVISION OF CRYOLITE SALE PROFITS

Copenhagen BERLINGSKE TIDENDE in Danish 6 Nov 85 p 7

[Article by 'b-']

[Text] Greenland demands 500 million kroner--half the amount fetched in the sale of shares of the cryolite company. Greenland Prime Minister Jonathan Motzfeldt proposes abolishing the Ministry of Greenland Affairs immediately.

Greenland Prime Minister Jonathan Motzfeldt will not be content with receiving only the 50 million kroner which the Danish government finds that Greenland should receive out of the profits from the sale of Kryolitselskab Øresund A/S [The Øresund Cryolite Corporation].

Jonathan Motzfeldt finds that Greenland ought to have half the amount fetched by the Danish government in the sale of the shares, and that means 10 times the amount offered by the Danish government.

"The Danish government may keep the 50 million kroner," Jonathan Motzfeldt said yesterday following a number of negotiations in Copenhagen. Minister of Greenland Affairs Tom Høyem (Center Democrats) has entertained the idea of establishing a polar institute in connection with the question. "That is his concern," were Motzfeldt's comments.

Return of Check

The Greenland prime minister included exploitation of the Greenland underground in the debate, stating that good friends in Greenland had proposed that Greenland keep the profits from the sale of the mineral products and return the check for 50 million kroner to Copenhagen.

He wants the agreement on utilization of the Greenland underground changed. At present, investments in the amount of 2.5 billion kroner will have to be

covered before Greenland may get its share, and he considered this unreasonable.

Jonathan Motzfeldt concluded his statement by expressing the wish that the Ministry of Greenland Affairs be abolished tomorrow.

7262

CSO: 3613/31

ECONOMIC

FEDERAL REPUBLIC OF GERMANY

BERLIN INDUSTRIES INCREASE PRODUCTION, INVESTMENTS

Electronics Expands Telecommunications Branch

Düsseldorf HANDELSBLATT in German 20-21 Sep p 18

[Article by cmk: "Berlin Electronics Industry Raises Output and Employment"]

[Text] Berlin 19 Sep 85. ISDN--Integrated Services Digital Network--is part of the world-wide evolution in communications technology in which German industry clearly has its chance to assume a leading position.

So said the president of the Berlin Electronics Industry Association, Peter Schweizer (who is responsible for electronics in the management of Robert Bosch Inc.) at a press conference in Berlin. The occasion was the presentation of a study which gives information on how the Berlin telecommunications industry, which is traditionally strong in communications technology, can obtain an appropriate share in the development, production and sales of ISDN terminals. The study's authors are experts from industry, from the Berlin City Postal Region, and from the Berlin Technical University (TU). Coordination lay with DETECON (German Telepost Consultants) of Bonn.

ISDN's goal is the unification of various communications services, such as voice, data, teleprint, and graphics transmission, into one unitary 64,000-bit-per-second digital network of the Federal Post Office. Start of operations is planned for as early as 1988.

The study supports the Postal Ministry's suggestion to open a central ISDN laboratory in Berlin in April 1987 as a follow-on to the pilot projects in Stuttgart and Mannheim that are being set up by SEL and Siemens.

A realistic testing of terminals could be managed in an in-house network of the Berlin Technical University. An open network is, however, recommended on grounds of portability and compability.

In view of the social consequences, a gradual transition from old to new working methods is recommended. Staff and their representatives should be included in the introduction of and preparation for ISDN services.

In the course of the year to date, the Berlin electronics industry has been able to raise output by 16 percent, so that, on the average, productive

capacity is more than 85 percent utilized. Communications technology, which is to a large extent supported by domestic demand, has a disproportionately large share in this development.

By midyear the number of employees had risen by 4,000 (to 58,000) compared to last year. The investments planned for the current year will amount to 603 million marks, as compared to 560 million marks for the previous year. Real output growth of 5 percent is expected for 1985.

Borsig Plans Factory Modernization

Düsseldorf HANDELSBLATT in German 20-21 Sep p 18

[Article by as: "Profit Situation Could Be Improved"; first paragraph published in boldface]

[Text] Berlin 19 Sep 85. The Borsig Corporation of Berlin will invest approximately 100 million marks in the next two years for a total reconfiguration of its plants. Borsig will then have at its disposal, according to managing director Heinrich Berger, one of the most modern mechanical engineering plants in Europe for heavy non-standardized manufacturing.

The restructuring measures being undertaken, which provide for concentration on about 170,000 square meters in the western part of the 360,000-square-meter plant grounds, are to be completed in late summer 1987 for Borsig's 150-year jubilee. The remaining 190,000 square meters of unneeded space were sold on 1 October 1985 to the Berlin Senate, according to Berger's statement, for about 32 million marks. Since Borsig has "positive settlement balances" on the order of 135 million marks at its disposal, the financing of the extensive investment program will, it is said, present no difficulties.

The efforts already undertaken in past years toward modernization of the equipment were, in Berger's words, the starting point for a considerable improvement in the profit situation during the current operating year (1984: 5.2 million marks). The computerized numerically controlled processing centers, one of the most modern in Germany, which Borsig has installed for building turbine compressors and piston compressors and for the automated production of appliances and boilers, has for example, as reported, reduced the through-put time for components of the piston compressors by more than 70 percent.

Berger expressed satisfaction with developments in the fiscal year 1984/1985 (ending 30 September). Although the mechanical engineering lines relevant to Borsig have not yet been caught up in the positive business-cycle developments in the overall industry, the firm has been able to tie into the gratifying business trends of the past years. Especially high increases in orders could be booked in turbine and piston machines, in appliances, and in steam generators, so that employment here is assured into 1986. At the end of August the orders received ran to 308 million marks (11 percent

up). The order book rose by 5 percent to 581 million marks (from 555 million marks). Sales, however, were (due to discounts) slightly off at 290 million marks (down from 307 million marks). The number of employees is reported unchanged with a staff of fully 2300.

Berger specially emphasized the once again clearly increasing number of training positions at Borsig. Presently 225 young people are being trained in 15 different skills. A new training emphasis at Borsig--in anticipation of coming patterns of skills--is instruction in computerized numerically controlled machines and flexible manufacturing systems. The goal of the training efforts is reported to be adjustment to the requirements of the new computer-integrated-manufacturing plants.

For 1986 Berger expects a slight increase in sales and a further improved profit picture. Although the planned investments also represent a push toward rationalization, the number of employees is to be held at the present level.

13070/9190

CSO: 3620/74

ECONOMIC

FINLAND

PAPER VIEWS PROSPECTS FOR USSR TRADE IN LIGHT OF GORBACHEV MOVES

Helsinki UUSI SUOMI in Finnish 28 Oct 85 p 2

[Editorial: "Demands Increase in Soviet Trade"]

[Text] Many important questions have arisen in our trade with the Soviet Union, the common denominator of which is preservation of the current volume and its improvement. This year's problems, as concerns oil shipments, have been fairly equitably resolved and a trade imbalance has, at least for the time being, been avoided.

The declining rate of exchange of the dollar is, however, introducing new problems. The value of oil imports based on the dollar is decreasing. Since the world market price of oil is at the same time dropping rather than rising, the growth of our Soviet export volume will scarcely be realized in the predicted manner without special measures. The Foreign Ministry has predicted that our Soviet export volume will increase by fully 6 percent next year.

During the next recession our exports to the Soviet Union will not turn out to be a balancing factor in the development of the economic situation in the same way they were during the last slump. The economic recession will probably be considerably more pronounced than anticipated.

Along with all this, the many significant changes in the Soviet leadership and the considerable sharpening of his grasp of economic issues effected by party leader Mikhail Gorbachev have led many people to ponder Finland's position and future over a longer period of time as a trade partner of our eastern neighbor.

The latest change of leaders directly affects Finland's economy. The top Soviet foreign trade leadership was transferred from Nikolay Patolichev into the hands of Boris Aristov. A man who certainly knows a lot about the Finnish economy and conditions in Finland in general, but with whom only a few people are familiar.

Patolichev has had a long career in trade between Finland and the Soviet Union and he is highly esteemed as a trade advisor. The great importance of personal relations has always been emphasized in the Soviet trade. They have always meant a certain flexibility in rapid solutions of difficult issues. Despite

the importance of personal relations, the ultimate trading has always been sharp business activity. In this respect, changes of individuals will not produce a change.

Finland's status as a trade partner of the Soviet Union has been a natural one. The foundations of our trade are built on a long tradition and on carefully fostered commercial and other relations. It is of exceptional importance for us to preserve and develop the continuity of this trade. While Finland has had no ex officio status as a Soviet trade partner, we have nevertheless had many relative advantages on our side.

It is, however, apparent that the Soviet Union is opening itself to more trade relations with other Western industrial countries than it did before, especially in Europe. On the whole, the competition on our export markets is getting noticeably tougher. This means that our business firms have to be more able to compete than before in all business activity sectors and that the handling of our trade relations on the official level must be well carried out and well managed.

11,466

CSO: 3617/26

ECONOMIC

FRANCE

ECONOMIC RECOVERY IN DOUBT

Paris LES ECHOS in French 30 Oct 85 p 3

[Text] According to the OFCE (Economic Conditions Observatory), which yesterday unveiled its predictions for 1985 and 1986, the international economic environment next year should be less favorable for France. American imports in particular should decline (whereas most economic forecasting institutes are projecting growth of 4 to 6 percent), since the declining dollar will depress American demand.

Under these circumstances, Europe can still benefit from sustained internal demand, but ultimately will only have a moderate 2.5 percent growth rate. France, the OFCE experts emphasize, will not be able to buck the trend: a relatively weak 1.7 percent rate of growth in GDP [Gross Domestic Product] in 1986, getting little help from exports (the OFCE projects an external deficit on the order of 10 billion). Total corporate investment, moreover, is not expected to grow more than 3.1 percent in 1986, a much weaker increase than the 4 percent called for by the ministry.

The Observatory notes, too, that corporate net profits are still weak, despite an increase in the profit margin. Corporate indebtedness is high and made even heavier by excessively high real interest rates. Also, household consumption might grow less rapidly in 1986 (+1.6 percent) than it did this year (+1.9 percent), but it still continues to be a drag on savings.

In fact, OFCE believes that prospects for housing sales may be rather limited, and that the French people, discouraged by the real cost of big loans, will continue to spurn new housing. The deflation (4.5 percent) predicted for next year should lead to a more rapid easing of interest rates.

INSEE Releases 1985 Figures: Foreign Trade Disappointing

With a few months to the end of the year, INSEE [National Institute of Statistics and Economic Studies] says it is satisfied with the predictions

it made last summer. However, it lightly reprimanded French industrials, which reacted slowly to the "clear recovery" in domestic demand for manufactured products. As a result, imports swelled immediately, and exports could not keep up, despite the recovery in external demand.

Thus, at the end of the third quarter of 1985, the trend in foreign trade in manufactured products has been more damaging than INSEE predicted. "Despite the decline of the dollar, which reduced our costs for imported energy, the average monthly trade deficit (f.o.b. to f.o.b.) has risen past Fr 2 billion," according to INSEE.

Nevertheless, significant improvement is expected toward the end of the year, despite the decline of sales of French-made goods: "The losses of market shares abroad this year might be on the order of 2 percent. In the domestic market, they might come to about 1 percent."

Growth in Household Purchasing Power

In all, with the dollar at Fr 8.15, the trade deficit might be on the order of Fr 20 billion; a disturbing setback which shows that at the slightest recovery in economic activity the external imbalance deepens.

On the other hand, the price index gives cause for satisfaction. Household purchasing power in the second quarter grew again at an annualized rate of 1.5 to 2 percent: "A sufficiently significant recovery to allow continued growth in consumption for the remainder of the year and a higher savings rate," INSEE maintains.

Finally, production of manufactures, which were stagnant at the start of the year, should grow at the rate of about 1 percent per quarter through the second half of 1985.

Table 1. OFCE Projections for the French Economy

<u>In Percent</u>	<u>Quarterly Growth Rate</u>								<u>Annual Average</u>		
	1985 Qtrs				1986 Qtrs				1984	1985	1986
	1	2	3	4	1	2	3	4			
Gross Domestic Product (GDP)	-.3	.6	.6	.4	.9	-.4	.4	.3	1.9	1.0	1.7
Imports	.2	.1	.8	1.0	1.6	0.0	1.2	1.0	2.3	2.9	3.6
Household Consumption	1.5	.2	.5	0.0	1.3	-.5	.4	.6	.7	1.9	1.6

<u>In Percent</u>	<u>Quarterly Growth Rate</u>								<u>Annual Average</u>		
	1985 Qtrs				1986 Qtrs				1984	1985	1986
	1	2	3	4	1	2	3	4			
Administrative Consumption	.8	-.1	-.2	0.0	.8	.8	.7	.8	2.9	1.0	1.8
Total FBCF (Investment)	-.5	.6	1.4	1.0	-.5	.7	.5	.2	-2.3	.4	2.0
--By Companies	1.4	.2	1.5	2.0	-.5	1.0	.8	.8	-0.8	2.2	3.1
--By Households	-1.4	-3.9	3.0	0.0	-.5	-.5	-.2	-.2	-6.5	-5.7	-0.7
Exports	-0.9	.6	0.0	1.5	.5	1.2	.5	.2	6.8	2.1	3.0
Variation in Inventory (millions of Fr)	2.0	2.7	3.0	3.0	4.0	2.5	3.0	3.0	12.9	10.7	12.5

9516

CS0 : 3519/31

ECONOMIC

NORWAY

INFLATION DECREASE SEEN INADEQUATE TO IMPROVE COMPETITIVENESS

Oslo AFTENPOSTEN in Norwegian 10 Nov 85 p 41

[Article: "Inflation of 5.6 Percent"]

[Text] The inflation rate is "comfortable" if we compare it with the corresponding periods of last year, but we are not approaching as good growth as is the case in other countries. This is worrisome, is Undersecretary Erling Eide's (Consumers' and Administration Ministry) comment on the fact that prices went up by 0.2 percent from 15 September to 15 October. The rise in prices was 0.4 percent during the same period last year.

The consumer price index rose in points from 172.9 to 173.3 from 15 September to 15 October. From 15 October last year to 15 October this year the increase was 5.6 percent. Prices were 5.7 percent higher in the first 10 months of this year than during the same period last year.

"There is no reason to believe that prices will show a big deviation from an increase of 5.75 percent for all of 1985," Undersecretary Erling Eide says. This is in good agreement with what was used as a basis during the spring's wage settlement--between 5.5 and 6 percent.

In the latest index the food item showed a decrease of 0.3 percent. This was the only group which showed a decrease and is explained by lower prices for fruit and vegetables. Alcoholic beverages and tobacco went up 0.1 percent; clothing and footwear 1.2 percent; housing, lighting and fuel 0.1 percent; furniture and household articles 0.4 percent; health care 0.1 percent; travel and transportation 0.4 percent, caused by more expensive automobiles and higher insurance premiums; leisure time pursuits and education increased 0.4 percent; and other goods and services 0.4 percent.

8985

CSO: 3639/37

ECONOMIC

NORWAY

GOVERNMENT ACTION PLAN FOR INFORMATION TECHNOLOGY

Oslo AFTENPOSTEN in Norwegian 7 Nov 85 p 41

[Article by Kjell Aaserud: "Need for 'New Initiative in Norwegian Industry'"]

[Text] The government's action plan for information technology will be presented in the spring of 1986, Industry Minister Petter Thomassen reported during the Industry Days in Trondheim, which have "New Initiative for Norwegian Industry" as their motto. He reported also that on 12 December in Paris he will sign an agreement which will secure for Norway full membership in the Europeans [as published] Space Agency (ESA), of which we are now an associate member.

There is, then, an absolute necessity of new initiative in Norwegian industry, in any case if we make comparisons with Swedish industry. The very big contrasts were felt in listening to the industry minister's address and the portrayal ASEA [General Electric Company of Sweden] Administrative Director Percy Barnevik gave of the concern he directs. Whereas Norway's public contribution to research and development next year will amount to almost 600 million kroner, ASEA is using 1.3 billion kroner and has 3500 people employed in research. Norwegian industry has about 50,000 people employed abroad. ASEA and Sandvik, which Barnevik was formerly director of, have a total of 40,000 employees.

Industrial Growth Necessary

The industry minister expressed clearly that the oil nation of Norway needs growth in industrial production. Without it, it will be very difficult to fulfill central objectives in the welfare society.

"An effort must be made in a number of areas. It will be very important to prevent too strong an increase in costs. Central here is a tax policy which provides the basis for moderate wage adjustments. In addition, we must see to high total productivity--that costs per unit be as low as possible. At the same time we must contribute to our customers' being willing to pay high prices for Norwegian products by our betting on quality and technologically advanced products. A high and effective research and development effort is necessary in order to achieve this. The government is inclined to continued growth in appropriations in this area."

Thomassen pointed out that results from research circles have to too little an extent been put to practical use, although in recent years a gratifying increase has occurred.

Eureka

We must not forget that most of the knowledge basis for future industrial activity is found and is being created outside Norway, the industry minister emphasized, and he went into details regarding Norway's involvement in the Eureka plan. Six proposals for Eureka projects by Norwegian firms will be up for discussion at the ministers' conference relating to Eureka in Hannover. The Norwegian financing share is estimated at 320 million kroner over an average of five years. A proportional number of other Norwegian firms are working further on concretizing Eureka projects within the venture areas the government has prioritized.

Internationalization, the industry minister said, does not mean that we will export Norwegian jobs. Growth outside produces growth at home. Elkem, Dyno, Norsk Data and Norsk Hydro are examples of the fact that we have a strong international impact. In principle we can gain more strong-impact units in Norwegian industry through mergers, by the growth of existing firms, or by buying up foreign competitors, Thomassen said.

Expensive to Attack

Percy Barnevik placed emphasis on the effort which must be made in order to capture market shares. He drew a comparison with warfare, where it costs three times as many soldiers to attack as to defend. ASEA and Barnevik have selected special countries for their attacks.

Our development of technology must proceed more quickly than today, because products have a shorter lifetime. There are always opportunities if one concentrates on interesting niches, Barnevik said, who strongly advocated project exports on a Scandinavian basis. Scandinavian industries which complement one another should have the opportunity to form consortia, he said.

8985

CSO: 3639/37

ECONOMIC

NORWAY

INDUSTRY ACCUSED OF FAILING TO EXPLOIT NEW TECHNOLOGY FULLY

Oslo AFTENPOSTEN in Norwegian 7 Nov 85 p 44

[Article by Rolf L. Larsen: "New Technology Being Exploited Too Poorly"]

[Text] Trondheim, 6 November. "We have to too small an extent managed to exploit the growth potential within most new technologies. The consequence is that we are constantly losing ground to competitors, not only in international markets, but also here at home," SINTEF Administrative Director Johannes Moe said during "Industry Days at NTH" [Norwegian Technical College]. Moe pointed out that Norwegian industry and business can clearly become more proficient in developing and putting to use technology's new capabilities.

The SINTEF director pointed out that a very large part of our industry is primarily raw materials based. "Our oil and gas production requires the use of technology of the highest class and large parts of our metallurgical industry have reached a very advanced level. Nevertheless, it is a fact that we have a modest strain of knowledge-based industry in Norway. For this reason we are becoming much more vulnerable to fluctuations in business conditions in the raw materials market than desired," Moe said.

He referred to the modern information society and the possibilities it involves for profound changes in society, and to bioengineering, which is opening the doors to a new industrial era, and new technology in the health sector.

"Our ability to exploit actively the opportunities which new technology is opening up will be decisive for us all. In Norway we must become more proficient in developing and putting to use technology's capabilities. LO [Norwegian Federation of Trade Unions] and the Norwegian Industry Federation in their joint report on "Norway As an Industrial Nation" asserted that the goal should be a 50-percent increase in industry's gross product before the year 2000."

"A formidable task, especially seen in light of the stagnation we have experienced in recent years. Although developments in recent times contain some positive features, there is the impending danger that we will continue to fall behind as compared with our competitors," Moe said.

If we are to avoid falling behind, we must strengthen our technology base. Necessary measures in this connection must consist in the following: betting more strongly on education, research and development and international joint ventures. It is necessary to increase technological alertness in firms, to import technology via licenses, to procure skilled personnel from abroad, to purchase advanced production equipment, and to increase cooperation with and the buying up of foreign firms, the SINTEF director said.

New Capital a Strength

"Liberalization in the capital market has to a great extent turned the control of industrial development over to industry itself. The results indicate that this has contributed to a stronger industry. A gratifying aspect of this picture is that today there are stronger incentives for new businesses than any time previously," Administrative Director Tor Moursund said in a speech during the Industry Days regarding the importance of the capital market for industrial development.

Moursund called attention to, as important reasons for the fact that Norwegian industry can now be offered better and more varied financing opportunities, the fact that we have gotten a market-oriented interest development with a considerably positive real interest rate. "The low interest policy to the beginning of the 80's resulted in the fact that credit had to be rationed. The ability to pay and the profitability of projects were not decisive for the supplying of credit, but political priorities, customer relations and security. This did not promote the necessary readjustment."

Moursund brought to mind in addition the fact that a high turnover at the stock exchange does not necessarily mean that new capital is being supplied to industry. But the ownership structure of firms is changing. Short-term investors, often referred to as speculators, are totally necessary in order to create liquidity and salability in the market.

But there */are/* [in italics] unfortunate circumstances in stock market activities which we must guard against. The draft of the new regulations will contribute to increased professionalization of the securities business.

8985

CSO: 3639/37

ECONOMIC

NORWAY

EXPORT LED EXPANSION IN ECONOMY SEEN WAVERING

Oslo AFTENPOSTEN in Norwegian 11 Nov 85 p 41

[Article: "Lower Growth for Next Year"]

[Text] The export-led share of the economic upswing appears to be over for this time, it reads in the Central Statistical Bureau's economic analysis of economic-condition trends in Norway. The economic upswing has now entered a phase in which it is being propelled mainly by growth in private consumption and investment.

It reads in the report that investments will probably continue to provide considerable and probably intensified growth incentives before 1986. On the other hand, the upswing in consumption has already been so strong that growth through 1986 will have to be considerably lower than this year. For this reason, the situation is that all in all there will be distinctly weaker growth incentives directed at the Norwegian economy in 1986 than this year.

It is pointed out that the upswing in Norway's economy has continued through 1985. Through the summer-season half-year the rate of growth in the gross national product outside the oil industry and shipping seems to have been at about five percent, computed as an annual rate. There is reason to expect a somewhat lower rate of growth toward the end of the year.

Registered unemployment was strongly reduced through 1985. There is reason to believe that the decline in seasonally adjusted unemployment will continue into 1986. With improved conditions in the job market, the work force has shown new growth in 1985. Unemployment accordingly will probably continue to be higher than usual, compared with previous prosperity years.

The inflation rate has changed little through 1985. There is little to indicate that this picture will change the rest of the year. Lower growth in import prices, especially for oil-related products, can contribute to lower inflation, while domestic cost hikes can have the opposite effect, provided that growth in wages does not become lower, the Central Statistical Bureau writes.

ECONOMIC

PORTUGAL

EMPLOYMENT FIGURES SHOW SLIGHT RISE

Lisbon DIARIO DE NOTICIAS in Portuguese 21 Aug 85 p 4

[Text] This June, there were 468,500 unemployed workers in Portugal, more and more Portuguese were self-employed, and the search for one's first job took longer and longer, the National Institute of Statistics (INE) disclosed.

The active Portuguese population registered an increase of 0.2 percent in the second quarter of 1985 compared to the first three months of the year, the INE said in its Employment Survey of the second quarter of 1985.

Therefore, the declining trend registered since the third quarter of 1984 has shifted, although only slightly.

From April to June, employment and unemployment showed different trends; the former rose 0.8 percent and the latter fell 4.9 percent, perhaps a repetition of the trends already noted in 1984.

Men were the direct beneficiaries of this increase in employment since they constituted 59.8 percent of the total.

The number of employed women decreased 0.7 percent. As to unemployment, although both men and women improved their situation, men benefited more since unemployment among them decreased by 8.8 percent, whereas female unemployment fell barely 2.2 percent.

As to the occupational sectors of the unemployed, the two major groups --- those self-employed and those employed by others --- experienced an increase of respectively 2.6 and 1.6 percent, with the latter continuing to constitute the major sector of employment, with 66.7 percent of the total.

Among self-employed workers there was an increase particularly of those working alone, representing 95.2 percent of the total of the reported rise.

Among workers employed by others, there was an increase centered exclusively on those "without a permanent contract".

13007/12790

CSO: 35'2"

ECONOMIC

PORTUGAL

STATISTICS ON FIRST-QUARTER WAGES DUE WORKERS

Lisbon SEMANARIO in Portuguese 24 Aug 85 Suppl p I

[Text] In the first quarter of this year the Inspectorate General of Labor (IGT) identified 696 firms that had fallen behind in payments. The major creditors of the indebtedness, which came to a total of approximately 10.9 million contos, were Social Security and the Unemployment Compensation Fund (7.8 million contos, in all); employees were due the remainder of the indebtedness 3.2 million. On the average, between monthly payments in arrears and several other monetary compensations unpaid, each of the firms owed each employee, at that juncture, approximately 81 contos.

According to the above-mentioned document, debts owed their employees by those firms reached 3.216 million contos, distributed over the following: monthly payments in arrears (1.967 million contos), wage differences (303,000 contos), retroactive and other monetary contributions (189,000 contos), paid holidays (28,000 contos), vacation allowances (152,000 contos), and Christmas allowances (582.5 thousand contos).

As to Social Security and the Unemployment Compensation Fund, the debt was 5.8 and 1.8 million contos, respectively.

The share of the social contributions (Social Security and the Unemployment Compensation Fund) in the total debt was 70.5 percent, while salaries in arrears, representing the total of all payments due the workers, was 29.5 percent.

On the average, the firms in question owed each worker approximately 81 contos, and 274 contos if we consider the total debt, that is, the social contributions.

Of the 696 debtor firms, 89 were from the Setubal area, 97 from Lisbon, 54 from Aveiro, and the remainder from the other regions. The debt of the Setubal area was approximately 5.9 million contos, representing 54.5 percent of the total debt noted in the first quarter of this year. Next are Lisbon with 1.9 million contos and Aveiro with 1.2 million contos, representing 18.3 percent and 11.1 percent of the total debt.

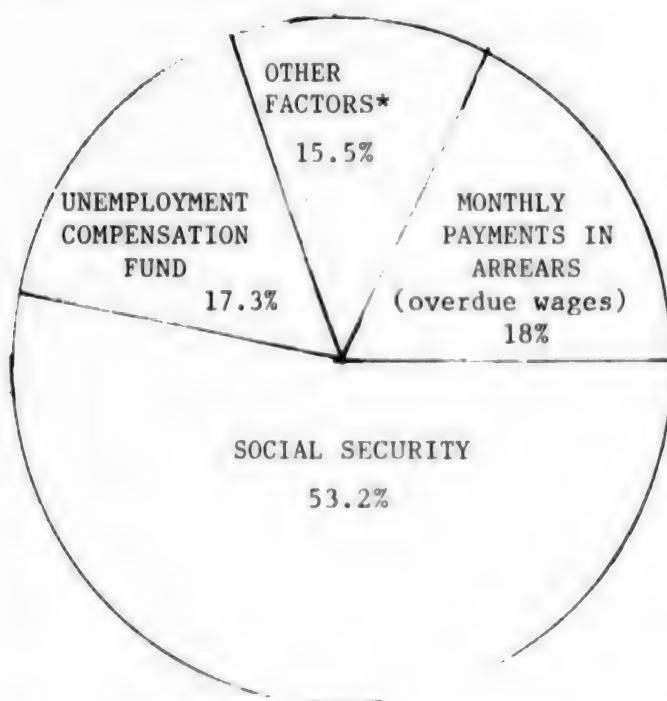
Metallurgy Sector at the Top

As to the sectors of activity, the metallomechanical and metallurgic industry had a debt of approximately 4.4 million contos, representing 147 firms; it was followed by the ready-made and clothing industry with 1.3 million contos distributed over 55 firms, the hotel industry with 1.2 million contos and 67 firms, the cement industry with approximately one million contos and 38 debtor companies, and civil construction which had a debt of 810 contos distributed over 87 firms.

Settlements

The coercive action of the IGT involved 23.1 percent of the firms, which represent approximately 13.2 percent of the workers; settlements between management and labor were reached in the remaining firms.

These agreements involved approximately 93.3 percent of the amounts regarding payments in arrears, 85.2 percent of the total of wage differences, 84.3 percent of the paid vacations, 73.1 percent of the vacation subsidies, 98.8 percent of the unemployment benefits and 98.2 percent of the Social Security benefits.



* paid holidays, wage differences, retroactives payments, vacation allowances, Christmas allowances.

13007/12790

CS0: 3542/246

ECONOMIC

PORTUGAL

UNEMPLOYMENT RISES; COMPENSATION INADEQUATE

Lisbon DIARIO DE NOTICIAS in Portuguese 27 Oct 85 p 5

/Text/ Less than a quarter of the Portuguese unemployed get unemployment compensation, according to a bulletin put out by the Employment and Vocational Training Institute. The bulletin states that, out of the 348,054 Portuguese unemployed, only 81,092, or 23.7 percent, are getting unemployment compensation.

The document also points to an increase in the number of unemployed by 16.2 percent between August 1984 and August 1985.

In monthly terms, the report from the Employment and Vocational Training Institute underscores a rise of 0.6 percent compared to July and notes that this increase took place "exclusively among male applicants (up 1.3 percent) and that it was greatest among persons looking for their first job (up 1.1 percent)."

Broken down by activity sectors, the document reports a 2.1-percent decline in agricultural unemployment (where the number now is 20,537) and an increase in industrial unemployment, specifically in civil engineering construction, where it went up 1.1 percent, with the number of unemployed in this sector rising to 185,675.

However, there was also an increase in available jobs that were not filled by the government employment services and that figure in July came to 2,115 (up 25.1 percent over the prior month) while job placements amounted to 1,156.

In August, likewise, the document adds, 11,762 job applicants registered with the Employment and Vocational Training Service, and of that number, 7,492 applied for unemployment benefits.

Among the total number of Portuguese unemployed, women account for 55.8 percent (56.1 percent in May) and young people looking for their first jobs make up 16.6 percent of the total.

In statistical terms and with relation to the same period of time last year, it was found in August 1985 that the percentage of unemployed women dropped 3.8 percent while the number of young people looking for their first job dropped 2.1 percent.

5058

CSO: 3542/21

ECONOMIC

PORTUGAL

BRIEFS

FIRMS' DIFFICULTIES IN EEC MEMBERSHIP--Almost half of the Portuguese enterprises proved to be unable to cope with Portugal's admission to the EEC, according to a document released by the Portuguese Industry Confederation. Out of the enterprises contacted by the CIP /Portuguese Industry Confederation⁷, 47 percent reported that they are unable to "cope with this challenge" primarily due to international competition, the cost of the production factors, and the production financing costs, plus the lack of financing for the rationalization and modernization of the production process. CIP also states that "the only improvement in the bad Portuguese industry situation consisted of the shipment of output which went up 9 percent over the past 2 months." As for the rest, the institution reports further, more than half of the Portuguese industrial enterprises (53 percent) continue to record a work capacity rate of between 70 and 90 percent and 38 percent of those enterprises even report a plant utilization rate of less than 70 percent. On the other hand, the majority of business operators questioned (66 percent) believe that the situation for investments is "bad" whereas 16 percent consider the situation to be "extremely bad." /Text/ /Lisbon DIARIO DE NOTICIAS in Portuguese 26 Oct 85 p 5/ 5058

INCREASING FOREIGN INVESTMENT--Foreign investments in Portugal totalled 12 million contos during the first half of 1985; this was 50 percent more than during the same period of last year, according to statistics prepared by the IIE (Foreign Investment Institute). This rise in foreign investments, in a country that ranks in 33rd place on the international "risk table," is primarily due to the already traditional cheap Portuguese manpower, combined with the prospects of access to a potential market that was enlarged after Portugal joined the EEC. /Text/ /Lisbon A TARDE in Portuguese 22 Oct 85 p 1/ 5058

FIRST-QUARTER EMIGRANT REMITTANCES UP--Remittances from emigrants totaled 90,365,000 contos during the first four months of this year, 8 percent more than in the same period in 1984, the Bank of Portugal disclosed. According to figures published yesterday, emigrants in the European countries of the OECD sent 62 million contos to Portugal, those living in the U.S.A. and Canada 18.4 million contos and those in the rest of the world 9.9 million contos. In the same period, Madeiran emigrants sent 4.2 million contos to that autonomous region (22.4 percent more than in the same period last year) and Azoreans sent 1.8 million contos (41.2 percent more). In April, remittances to Portugal made by emigrants reached 21.7 million contos, 218,000 contos to Madeira, and 422,000 contos to the Azores. Portuguese living in European countries of the OECD continue to be those who send the largest remittances to Portugal: 68.7 percent of the total. [Text] [Lisbon DIARIO DE NOTICIAS in Portuguese 23 Aug 85 p 3] 13007/12790

ECONOMIC

SPAIN

STATE OF COUNTRY'S ECONOMY DISCUSSED

Madrid EL PAIS in Spanish 25-28 Sep 85

[Article by Antonio Torrero Manas: "On the State of the Spanish Economy"]

[25 Sep p 62]

[Text] The public deficit continues to be the number one enemy facing the economic policy of our country's government. According to the author, however, there are not only substantial differences between the government and the opposition regarding potential solutions for this problem, but the different elements lie in the ability to deal with its management. In this article, Antonio Torrero begins a consideration of the state of the Spanish economy, concerning which, in his judgment, there has scarcely been any real discussion during this legislature, despite the delicate state of health in which it finds itself.

It would be difficult to find a period with less discussion of our country's economic problems than the term of the first Socialist government that has elapsed; and this is in contrast to our delicate economic situation, wherein it would seem normal to express different views on diagnosis and possible solutions.

If this assessment is correct, perhaps it may be due to a set of factors, among which I would cite: the failure of the French experiment, which quickly showed the danger of an expansive, voluntarist policy alone; the commitment of many economic analysts with the present administration, and the lack of an economic message belonging to the opposition, when the government adopts the principles that could constitute its foundation. I am not attempting to tally the reasons explaining the lack of discussion, but the ones mentioned seem major to me.

The issue which concentrates attention, not controversy, is the deficit in the public sector, which has become the enemy to be beaten, and in both official circles and among the opposition, there is competition in emphasizing the complaint; the distinguishing tone being that the opposition claims that it would be capable of reducing it with determination, discrediting the government for its inability to carry out that task, even when the alternatives to specific actions proposed by the government would resolve it, in most instances, by calling for more public spending, and despite this, keeping aloft the banner of an intended reduction in the tax pressure.

In brief, there are no substantial differences between the government and the opposition regarding the main problem and its solutions, but rather concerning the capacity of the respective managements.

What situation did the Socialist Party find when it came to power? The picture was very delicate, considerably more so than was inferred from its program analysis. The basic features of the situation are known to everyone: a precarious state of the balance of payments, a sharply growing deficit in the public sector and a rapid increase in unemployment, already standing at high levels.

The view of the Spanish economy from the government was, and is, that of an economy with much intervention, and heavily corporative, wherein the market mechanisms play a very meager role, and wherein there was an inefficient public sector both with regard to mere administration and insofar as participation in entrepreneurial activities was concerned.

The aforementioned French failure was considered very carefully and, with any temptation toward expansion eliminated, it was opted, in the macroeconomic area, and with good sense in my opinion, to put the economy on a sound footing, both externally and by cutting the internal inflation, and attempting to gear the productive apparatus to the circumstances imposed by worldwide demand.

The modest, subordinate reality of the Spanish economy is accepted in the world as a whole, and the entire policy is concentrated on preparing it in the best way possible for taking advantage of a possible takeoff in the more powerful nations, especially on the part of the American economy. The line to be followed should be based on expanding the space of private enterprise, eliminating controls, increasing flexibility and affording freedom for private enterprise to develop its natural impetus.

Restoring Balance

There is one point that requires emphasis. I refer to the need for restoring external balance because, ultimately, this determines the viability of an economy over the long term. But, in addition, special stress has been placed, from the outset, on obtaining a favorable international judgment concerning the economic policy that was intended to be developed.

Spain's image in the international financial markets and the acceptance of its economic policy by the supranational economic institutions constitutes, in my view, a key objective; perhaps because of a consideration of the deepseated negative effects that might stem from a potential intervention by the International Monetary Fund in the Socialist government, the effects that this might have, not only on the government, but also for the democratic system. The government has stated on repeated occasions that its policy has been supported by the positions maintained in the most advanced countries and by the qualified financial world.

The point of departure was dissociated from the interventionist, voluntarist philosophy of the electoral economic program, and stressed the need for

modernization within the context of a liberal economy. The initiatives involving public intervention are being viewed with growing suspicion, and stress is being increasingly placed on the attempt to assign the guiding role to the market.

I think that the foregoing, although it has been expressed telegraphically, contains, substantially, the general view of the economy from the government standpoint. The economic policy to be developed had in its favor the acceptance of a country in suspense, which wanted a deepseated change in the administration. In my opinion, the greatest obstacle was, and is, the degree of credibility among business owners, the confidence with which they would receive the message of the proposed modernization as the end goal of a policy, and not as a tactical move so as to continue, in the future, when the circumstances allowed, in a direction more in keeping with the philosophy of a party of lefts, however moderate it may be.

The Results Accrued

As for the positive features, the most clearcut has been putting the external sector on a sound footing, with a spectacular increase in exports, resulting from the pull from the American economy and the weakness of the internal demand. There has also occurred on this front an extensive improvement in international credit, and applause has been gained from the International Monetary Fund, albeit not overly thundering, for persevering on the path that was undertaken.

There has also been a reduction in the inflation rates, although to a lesser extent than had been expected; the total surplus has increased considerably, and although this should not be identified with business profits, it must be considered that the latter have improved as well. In the negative realm, there is still the listlessness of investment, unemployment has increased to alarming levels and, in general, the pace of activity is very weak.

During the first months of this year, in view of the slowdown in the exporting rate, it was necessary to compensate for this with a package of measures aimed at restarting domestic consumption. The final note in the picture, depicted broadly, is the inability of the Spanish economy to invest its own savings.

The weakness of the demand for solvent credit and the losses due to exchange differences have fostered a reduction in the foreign debt, which is not in keeping with a policy aimed in this direction, but is, rather, the necessary result of the low rate of activity. Thus, in 1984 and in the months of 1985 that have elapsed, savings have been exported; and during this latter year the forecasts on growth have been revised in a downward direction.

I have mentioned the general diagnosis, and the results accrued from the policy that has been pursued. Acknowledging positive aspects, I think that it is not unfair to say that those results do not measure up to the government's expectations. In my opinion, it is impossible to probe deeply into the basic reasons explaining the situation without making a microeconomic analysis. This is what I propose to do in the next installment.

[Text] In the current situation, during a period of severe crisis and serious economic difficulties, one's attention is strongly drawn to the lack of alternatives from the opposition for the measures adopted by the government. One of the features of the time, according to the author, is the demoralization of the business owner group. The article comments on the status of businesses and the obstacles to investment.

When the Socialist Party won the elections, it found a deeply demoralized business-owning group resulting from the economic situation of the business firms, the political uncertainty, the difficulties in gearing their businesses to the conditions imposed by a depressed demand and the trauma entailed in some heavily indebted firms by the escalation in the cost of the debt. What is important to detect is that the business owners who had accepted risks during the phase of economic growth, backed basically by debt, were mistaken, and turned out to be trapped by a deepseated economic crisis of an international nature, but with very specific Spanish features; features of vulnerability, the internal keys to which were a growing debt with progressive rates and a tremendous difficulty and a high cost for adjusting personnel rosters downward.

These circumstances have imposed the victory of the conservative proposition, as part of the decision-making mechanisms of business owners. The trauma has been so profound that not only is it necessary to improve the general economic environment, but there must also be the passage of time, and in an atmosphere of confidence, to allow the wounds to heal. With this picture, despite the efforts made by the Socialist administration to infuse encouragement, the level of receptiveness necessarily had to be low; because not only was political distrust involved, but the point of departure had been one of a precarious situation, as well.

This conservative view among business owners has been imposed, not only in direct investment, but in financial investment also, wherein bonds are enjoying the public's preference, and despite the stock exchange reactivation, the significance of stocks in the financial picture is very slight. The collapse of the stock market has been of such magnitude that, applying the index of the Madrid Exchange and that of the cost of living, 100 pesetas invested on 1 January 1973 have been converted into 12, in real terms, as of 31 December 1984. I think that these data are telling, and explain the aversion to risk capital from the financial investment angle.

In my deeply negative opinion, in that state of suspense, there has been an effect, exacerbating it, caused by the social consideration of business owners which is not in keeping with the one that should exist in a market economy. This social consideration has been negative for many years, and it must be said, because it is only fair, that only the Socialist government has had an explicit concern for improving it.

Investment and Employment

The context of demoralization described is increasing the real obstacles that exist for putting investing processes into effect. In the poll taken by the

Businessmen's Club (1), in the section relating to the determining causes for investment, mention is made, first, of the weakness of the domestic demand; secondly, of the increase in costs; and thirdly, the price of money which, together with the financing difficulties and the lack of the individual's own funds (computed separately) comprise the financial aspects of business owners' decisions.

As for the weakness of the domestic demand, the economic policy decisions have been demarcated on the basis of the limitations entailed by a possible expansion in the balance of payments and the emphasis that is placed on the reduction of the inflation rate. Up until now, the idea which has prevailed is that the sound internal footing has not been completed, nor have rates of price increases been attained which would allow for considering a start-up of the domestic demand. The activating measures of the spring, therefore, in my opinion, must be considered strictly from the standpoint of seeking compensation for the decline in exports which was jeopardizing the desired growth rate.

The aforementioned poll refers to the increase in internal costs, wherein those of a labor nature have an obvious great significance. In my view, there are not too many grounds for directly relating the increase in employment to increases in investment. The effect is problematical, and will depend substantially on the sectors and activities in which the investment occurs. I actually think that the wage level, with the current rate of activity, is too high for extensive sectors of the Spanish productive apparatus, and that it is an important element, explaining the weaknesses of business firms. However, what seems all-important to me is the negative burden of an enduring experience wherein business owners have been unable to readjust personnel rosters in a crisis situation.

This is why the business owning group has reacted with skepticism toward the measures for flexibility, which are now significant, and why the conservative component has recalled the difficult situations and has meditated very carefully on any possibility of expansion if it entails new labor commitments. To my way of thinking, the reality of the situation is that an even greater degree of flexibility is needed, so as to create employment; but this is only one necessary condition, because although new measures may be introduced in that direction, more time is required so that there may be confidence in it as a permanent policy, and so that the atmosphere of expectation among business owners may improve.

The Cost of Credit

The third component is the financial conditioning factors; that is, the cost of credit, financing difficulties and a shortage of funds of their own. The first thing that should be noted is that the credit market has evolved considerably during recent years, and now the financial institutions are vying for the solvent client, who is certainly a scarce commodity. For years, the financial institutions, especially the private banks, have had a traumatic experience with failures, which has prompted them now to a conservative policy.

This explains why there are not many clients who can meet the requirements for solvency; and it also explains why the financial institutions, apart from the compulsory factors, are considering the fixed income issued by the public service enterprises as alternative assets.

In the situation that I am describing, merely asserting that there is an effect of moving financial resources toward the public sector because of its greed, at the current interest rates, doesn't seem very refined to me. In my opinion, it could be argued that, in fact, a vacuum is being filled. It could be argued that, without the pressure of the public sector deficit, the structure of interest rates would moderate; but to maintain that the fundamental component in the cost of credit is the deficit seems as simple to me as the claim, made until recently, that the cost of credit depended on inflation, and that a reduction in the latter would moderate the former. The advantage of this kind of linear reasoning lies in the fact that it facilitates an understanding of the message that it is being attempted to convey. The disadvantage is that it doesn't contain the considerably more complex reality. The dangerous part about such arguments is that they are based on a certain observation in general terms (the cost of credit is higher in Argentina than in Switzerland, for example, and this is actually due to the difference in the inflation rate), and they attempt to apply this to less clearcut and differentiated situations.

During the past 5 years, if there has been anything stable in the Spanish economy it has been the average cost of bank credit. Between 1980 and 1984, the average cost of bank credit was 16.7 percent, with a maximum of 17 percent in 1981 and a minimum of 16.5 percent in 1980. (2) It need not be greatly stressed that inflation has been reduced and the public deficit in 1980 has no parallel with the current one.

As I have commented on repeated occasions, the cost of credit in Spain during the past few years has been contingent on a group of factors, among which I would underscore: the exaggerated size of the banking system, with high middlemen costs and a belligerent policy of competition in the public sector to attract funds, which makes the liabilities more expensive. I have remarked many times, and I repeat it now, that the policy of exacerbating the competition for financial resources has not been fitting, and that the productive system and the banking sector itself have suffered from it. In essence, many observers are aware of that, although they may not admit it overtly; and hence, when the bank presidents hold meetings to limit the cost of the debt, no one charges them with infringing upon the regulations on protection in competition.

The same skepticism is aroused in me by the policy pursued for financial coverage of the deficit, appealing to the market, which is a key obstacle preventing a reduction in the cost of the banking system's liabilities, and hence an element of support for assets. In my view, although control of the monetary policy requires the withdrawal of funds, doing so by popularizing on all levels the possibility of large profitability without apparent risk and safe from fiscal control which, owing to internal procedures, which must ultimately be resorted to because of the inability of the private portfolios to absorb increasing volumes of treasury notes, is not the same thing.

The proposal for the financial policy does not befit the Socialist government. It dates back a long time, and has now merely been continued. This proposal has as its main bases the conviction that the promotion of competition on the financial market is excellent in all cases and situations, and the belief that interest rates have little impact on the situation and decisions of the productive units. This is a conviction with deep academic roots which is not appropriate to explain here.

The conclusion from this section on the obstacles to resumption of investment is rather obvious: The difficulties to be eliminated are very great, and neither the institutional ones nor the specifically economic ones can be eliminated over the short term. The labor and financial ones are generating strong social resistance and, insofar as the demand is concerned, handling it is critical; because in a state of suspense such as the one described it would quickly meet with the limitation of the balance of payments.

1. The No 28 Bulletin of the third quarter of 1985 was used. The data from the poll relate to the last quarter of 1984.
2. Data from the statistical appendix of the "Annual Report of the Bank of Spain, 1984," p 191.

[28 Sep 85 p 44]

[Text] In the current situation, business owners are not investing because they see no clear expectations of gain, and they have safer options for their money. In the author's opinion, private enterprise must be the main driving force of the economy; and for this purpose management must be professionalized and public investments increased, even at the cost of a somewhat higher inflation rate, and a larger public deficit, which should be reduced by curbing spending.

With regard to the proposal that has been made, a first temptation must be avoided, namely, blaming the business owner for not having played the role of investor and promoter which socially justifies his existence. In my view, this position would prove fruitless. Business owners are not investing because they see no clear expectations of gain and, on the other hand, they have alternative options with greater profitability and less risk. It is argued that foreign investment does see opportunities and has confidence, but there is a basic difference: Foreign investment, apart from the fact that it has a broader and international view, possesses the dimensions and the business organization that enable it to accrue profits exceeding those of the alternative options. This does not hold true of Spanish enterprise, generally speaking; its rate of accrual of profits was slight, and has been reduced even more in recent years, in comparison with those accrued by the entrepreneurial system of the more developed countries.

The basic reason for the enduring crisis in the Spanish economy, in my view, must be associated with the precarious situation of Spanish business owners as a group. Although the present administration has succeeded in raising the surplus by curbing wage income, this increase and the aforementioned policy of offering confidence have thus far proven insufficient to stimulate investment.

In this context, confining oneself to action awaiting the pull from private enterprise, which could be delayed or not occur, in view of the impossibility of removing the obstacles, is, in my opinion, very risky. So is having the administration involved in the productive process without having minimally organized a system that would allow for suitable management. With a picture such as that described, the effort needed to be proposed in terms of an improvement in internal organization that would make it possible to aid and cooperate with the private sector; for which purpose an improvement in the administration and in public enterprise would have been essential.

Establishing Order

When we are told that the present economic policy is the only possible alternative, and that the basis is to preserve the external balance and curb inflation, they are telling the truth; and that is a message which is clear, accepted and, I might add, obvious. But the issue does not end in a macroeconomic statement, but rather, the starting point is here: The hard, important job is to establish order and organize both the administration and public enterprise. If the message is confined to macroeconomics and the management of four magnitudes, action is being taken on a necessary, but insufficient front.

It is also necessary to go down to the arena, form strong, qualified team, give the decision-making power to the managers and move, if I am allowed to use the expression which is to some extent pejorative, from the view of a studies service to that of a professional management. I don't think that progress has been made in this direction. and if there was any expectation of regeneration, it has been thwarted. No enterprise, either public or private, can operate without a good management; and that is a professional one requiring a vocation, a specific disposition and an adequate context of incentives and control. One is not trained to manage because of the fact that he has a good "curriculum vitae," or has excelled with brilliance in competitive examinations. If public enterprise is considered political spoils, the best thing would be to do away with it insofar as possible.

Hence, the current situation is typified by a monetary control which is preventing runaway inflation, an increasing burden in the public sector, sluggish investment and an economy of bondholders. What can be derived from these dynamics? Should one hope for an improvement in the external circumstances to a greater extent than during the past 2 years? And, on that assumption, would that external impetus suffice to change the process? In my opinion, these are the major questions posed concerning the Spanish economy.

The expectation of a startup prompted through the external route, in the event that it should occur, would be insufficient to change the situation basically; and the hope that the obstacles will be eased, the current state of expectations will be changed and private enterprise will improve the pace by itself alone may be very long-lasting. It is even possible that a greater deterioration may occur, until we are faced with an inevitable inflation that would upset the present groundrules, with serious political and social consequences.

Therefore, I think that, despite all the limitations, it is necessary to take an active role and aid private enterprise even further, so that it may surmount its discouragement; and this can only be attempted by removing the obstacles that are impeding the recovery of the pace. Ultimately, I think that action will have to be taken in the direction of fostering a recovery even at the cost of a higher rate of controlled inflation than anticipated, because the alternative is to accept it now or to let it become imposed virulently in the future.

The article could end here, because its fundamental goal is to make a diagnosis and show the danger of a passive attitude toward the depth of the crisis affecting the business-owner group. In my opinion, the time will come when the intensification of the adjustment that is being made will have to be abandoned, faced with the weight of the reality; and what I propose, ultimately, is taking the initiative and not operating at the behest of events. Generally speaking, I think that we should act as follows:

On the domestic demand front, it would be necessary to start up a public investment program concentrated on construction, which is a sector generating employment and not very dependent, directly and immediately, on imports. This would bring about a greater public deficit, which would have to be offset by a reduction in consumer public spending; although the experience from the management in recent years doesn't allow us to be very optimistic.

Cutting the Cost of Credit

On the financial front, the costs of credit must be reduced and there must be a decrease in the alternative investment options that I have mentioned previously. This is not easy, because we have an oversized financial system, which cannot be quickly geared to reduction, but there must be an elimination of the demonstration effect of public issues, moderation of the cost of liabilities and the adoption of a restrictive position in the savings banks insofar as their expansion is concerned, since the latter has been causing a phenomenon which we have already experienced, unfortunately, with the private banks' crisis.

I am not unaware of the dangers of a policy of this type, but it should not be forgotten what is entailed by such a prolonged sluggishness, such an intense dejection and, in particular, an unemployment of the magnitude that we have reached. It may be said that this means a certain amount of return to the old policy, and I am not evading the reproach; but those who claim the need to intensify the achievement of a sound footing, in the hope that private enterprise will recover by itself, should reflect on the real status of the country, which does not allow us to take as an example economies that are far more flexible, with established political systems and with a greater capacity for response. In essence, the issue revolves around the hope that may be harbored that prosperity is just around the corner. Hence, we must face the reality and, for this purpose, it is essential to make a correct diagnosis of the situation. Cooperating in that direction is the intention of this article.

Note: Antonio Torrero Manas is a professor of economic structure at the University of Alcalá.

2909

CSO: 8148/0199

ENERGY

EUROPEAN AFFAIRS

STATPIPE FROM FIELDS TO EMDEN BEGINS OPERATION

Oslo AFTENPOSTEN in Norwegian 8 Nov 85 p 29

[Article by Morten Woldsdal: "Statpipe in Operation: Gas Line to Continent"]

[Text] Karsto in November. The new "Europe Line" on the sea bottom from the Norwegian continental shelf to the gas markets in Western Europe is in operation. For the first time in Norwegian history, Norwegian gas now is flowing through a Norwegian pipeline in to the Norwegian mainland. Gas worth 1 million kroner per hour will go from the North Sea fields--via the large terminal facilities on the island of Karsto in Nord Rogaland through Statpipe to Emden in West Germany.

Statpipe will ensure gas to consumers in West Germany, The Netherlands, Belgium and France, primarily for heating, until the year 2007. In 2007, the agreement between the Norwegian gas sellers and the group of purchasers on the continent will expire. But new Norwegian fields prior to then may commence production and provide supplies for Western Europe far into the next century.

The 880-kilometer long Statpipe has cost 18 billion kroner to build. That is 2 billion less than Statoil--which is responsible for the project--had projected in advance. And despite the great skepticism both domestically and in other countries concerning the tight timetable for the project, the pipeline is now in trial operation three months "ahead of schedule."

Political Conflict

There was great political conflict over bringing Statpipe gas ashore. There was a tug of war over whether it should be Karsto in Nord Rogaland or Mongstad in Nordhordland which should be the land-based receiving point in Norway. Karsto won the fight. By a vote of 94 to 54, Parliament decided on 10 June 1981 that the little place in the municipality of Tysvaer, just east of Haugesund, should be the site for one of the largest industrial construction projects in Norwegian history.

The reason for Statpipe is the enormous amount of gas which is buried underground on the Norwegian shelf. The system is built in order, initially, to ship gas from the Statfjord field via Karsto to the Ekofisk field all the way on the southern end of the Norwegian shelf. From Ekofisk, the gas will go via the "old" Norpipe to Emden in West Germany. In the summer of 1986, the Heimdal field also will be connected to the pipeline and in 1987, gas from the Gullfaks field will go through Statpipe.

The system will be broken in until the middle of February next year. But when the pipeline has finished its three-month trial period, it will be ready for normal operation. With full production from the three fields, 8 billion cubic meters of gas, worth over 8 billion kroner annually, will pass through the pipeline. The shipping capacity can be increased to 17 billion cubic meters so that new fields gradually can be connected.

Many Mileposts

There have been many mileposts during the tough four years of the Statpipe project. Technologic barriers have been conquered. Among other things, the pipeline crosses over the deep Norwegian Channel on twice en route in to and out from the Norwegian mainland. The depth of the Norwegian Channel is about 300 meters, and it is the first time that a pipeline of such thickness has been laid at such a great sea depth. During the 1970's, it was the depth of the Norwegian Channel which prevented oil and gas from being shipped ashore to Norway. At that time, it was thought to be a technologic impossibility to lay such a large pipeline at such a great sea depth. But technologic developments brought with them the solution for that problem...

Simultaneously, over 400,000 tons of steel have been used for the pipeline. 840 kilometers of it lie on the sea bottom, while 40 kilometers are on land to/from the points on Kalsto and Karsto where the pipe comes ashore. On land, the pipeline goes through gulleys and in tunnels under fjords. One of the tunnels goes under a fjord 180 meters below the water surface, while two others are 160 meters below surface. On land, there is only one security zone around the pipeline--which is marked with warning signs--which even suggests what lies buried below. Were it not for the signs, no one would be able to see that there is such a big pipeline.

Mines Located

However, the laying of the huge pipeline at sea was not completely problem-free. First, Statoil found mines from the First World War along the route of the pipeline between Statfjord and Kalsto. The mines quickly were disarmed and work was able to continue. But just a few weeks later, the pipeline broke during the process of being laid in the Heimdal field. This problem also was solved relatively quickly.

Simultaneous with the laying of the pipeline by two large pipe-laying ships at sea, work took place on shore on Kalsto and Karsto. Over 1 million tons of rock were exploded away from Karsto. What previously had been weathered heather fields where sheep grazed became one of Norway's largest industrialized areas. At the peak, more than 3,000 people were working at Karsto during the construction phase. When the system begins regular operations, 400 people will be employed there.

The large terminal facilities on Karsto are at the very same place where the American pioneer Clend Peerson organized the first expedition to America in 1825. Clend Peerson would not recognize Karsto today ...

"Skimming the Cream"

Gas which flows into the facilities consists of a number of varied substances. The gas is treated at Karsto--the process can be compared with what occurs at a dairy: the milk from the cows is shipped to the dairy where the cream is separated from the rest of the milk. At Karsto, the "cream" is so-called wet gas, while the rest of the "milk" is dry gas which is sent onward in the Statpipe to the continent.

The wet gas which is separated out and stored in large tanks on Karsto consists primarily of propane, butane and natural benzine. These substances are frozen down and stored in liquid form prior to being shipped via gas tank ships to customers all over Western Europe. The United States also may become a future market for wet gas from Karsto. In all, more than 1 million tons of wet gas, worth 2 billion kroner, will be produced annually.

The first shipment of wet gas left this week from Karsto to Stenungsund on the Swedish west coast. The gas is to be used there in petrochemical production at the Esso Chemical facility which Statoil has bought. Gradually, many similar ships will leave Karsto. It is expected that there will be more than 200 sailings annually so that Karsto will become one of Norway's busiest ports.

The wet gas is used in Europe for heating homes and in industry. One-third of the wet gas is used in the petrochemical industry and small amounts are used as automobile fuel.

Raw Materials for Bamble

Statoil's purchase of the facilities in Stenungsund will lead to ensuring a market for a portion of the Karsto production. At the same time, the production in Stenungsund will guarantee access to raw materials for the petrochemical facility in Bamble.

It takes four or five days for the gas to travel from the Statfjord field via Karsto to Emden in West Germany. The pipeline which it will have traversed consists of a total of 74,000 welded pipe sections, each 12 meters in length, or corresponding to more than 70,000 four-story buildings. This says something about the scope of the project which Statoil--as the first Norwegian oil company--has accomplished.

12578

CSO: 3639/35

NEW NUCLEAR POWER PLANT PART OF ENERGY PACKAGE

Energy Issues as Tactics

Helsinki UUSI SUOMI in Finnish 6 Nov 85 p 2

[Editorial: "Energy Cards on Table"]

[Text] The formal prerequisites for a decision on energy are fulfilled now that the Ministry of Trade and Industry has presented its package plan for electricity production. This contains the answers to all of the most crucial questions that have been raised, thus demands for further clarifications are merely political tactics.

Of course such tactical strategies are also needed since very few plans gain acceptance just by arguing that matters are as stated. The price of tactics must, however, be taken into account. The postponement of power plant decisions may lead to an electricity shortage in the 1990's or to very expensive temporary solutions.

There is also reason to ask whether a suitable time to make a decision on nuclear energy will ever arrive. Now there seems to be a move to postpone that decision until after the Center Party convention next summer. Might we then be too near the parliamentary elections to make a decision?

On the other hand, it would be very unfair to go into the election campaign treading lightly the nuclear power issue and then make the decision on power plants after a suitable amount of time has passed after elections. On top of it all the voters would see right through such games.

The Ministry of Trade and Industry starts with the premise that a 500 MW nuclear power plant should start operating in 1994 with another start up a couple of years later. The main portion of the additional 2700 MW that is needed will be supplied by other energy sources, however.

According to the report nuclear power is the cheapest at 17 pennies per kW/hr. The small thermal plants are the most expensive at anywhere between 25 and even 65 pennies per kilowatt-hour. The big coal or peat fired power plants are a little less cost-efficient than the nuclear power plants. Besides this, the most expensive thing in nuclear power plants is the capital needed for the buildings and equipment whereas in the case of fossil fuels it is difficult to project the future price of the fuel, the critical cost factor.

The clear majority of the conservative party has already taken a stand in favor of nuclear power and the fact that Minister of Trade and Industry Seppo Lindblom crawled out of his shell points to a similar development in the Social Democratic Party. The situation in the Center Party is the most puzzling. Center

Chairman Paavo Vayrynen has quite boldly warned against dogmatism while certain other leading politicians have seen stern opposition to nuclear power as a trump card in the elections.

As far as election tactics go the Center Party would do well to study the developments in Sweden. The Swedish Center Party was able to make gains for a while by using anti-nuclear demagoguery but this has proven to have been crooked politics.

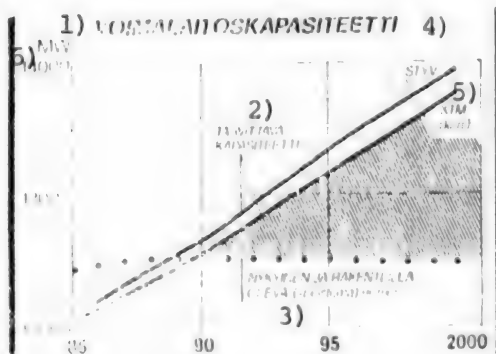
The Finnish Center Party now wants more study on dispersed energy production and small power plants. The Ministry of Trade and Industry report, however, gives ample clarifications in this regard. On the local level it may pay to combine energy production with heating plants or to use suitable rapids in streams. But their relatively small energy production capability must then be weighed against the preservation of the few remaining natural-state rapids. The other small power plants also have some negative environmental impact.

In any event the small power plant cannot solve the big issues in energy production. Equally unreliable is the other hoped-for solution offered by the Center Party: energy conservation. After the first energy crisis in 1973 energy conservation was indeed achieved by some appropriate methods but also with some methods of questionable value.

Untapped conservation methods now are scarce even if we pick the berries that have fallen to the ground.

According to opinion polls the majority of Finns already are in favor of nuclear power. Perhaps Minister Lindblom counted on this trend to continue when he gave until next fall for a decision deadline. Perhaps he also wanted to offer the Center Party an opportunity to develop their thinking. Nevertheless the time available is not limitless--and as it passes it is hoped that more politicians would publicly, too, express what they well know about energy politics than has been the case up to now.

The fact is that the present standard of living cannot be maintained without new nuclear power plants. The drifting into an energy shortage situation might possibly rock Finnish society quite badly.



The projections of energy needs by electricity producers (STYV) and the Ministry of Trade and Industry (KTM) differ somewhat from each other but new generating plants are needed in either case. Dispersed production can only help fill local needs.

Key:

- | | |
|--|-----------------------------------|
| 1. Power Plant Capacity | 4. Electricity Producers |
| 2. Needed Capacity | 5. Ministry of Trade and Industry |
| 3. Existing and Under Construction (-loss) ML Import | 6. Megawatts |

Alternatives to Nuclear Power

Helsinki HELSINGIN SANOMAT in Finnish 31 Oct 85 pp 3, 15

[Text] The way for a new and fifth nuclear power plant was smoothed somewhat in Wednesday's government evening session where Minister of Trade and Industry Seppo Lindblom presented his electricity service plans.

The government took no stand on the plan which contains one 500 MW nuclear power plant, but, on the other hand, set no obstacles in the way of continuing planning in that direction. "It is important that nuclear power remains in the plans," Lindblom said after the government meeting

The ministry-prepared energy production plan for the 90's emphasizes "soft" and dispersed electricity production as well as conservation. After all this has been done there still remains a 1,500 megawatt energy deficit that has to be filled. It is proposed that it be filled with coke, peat and imported electricity.

Nuclear Electricity in Soft Package

According to the Ministry of Trade and Industry future electricity needs should be met primarily by "soft" means: combining heat and electricity productions, energy as a by-product of industrial processes and water power.

Minister of Trade and Industry Seppo Lindblom, presenting his ministry's plans, explained to the other government members that even after everything possible has been done in this regard it will still be necessary to build condensing power plants, i.e. turbine generator power plants, abundantly.

Lindblom emphasized that the portion of total energy production filled by nuclear power has been shrunk as small as it could possibly be in the electricity production plan for the 90's, that is to say 500 MW. If the projections were based on economics alone the portion to be filled by nuclear power would be much greater, said Lindblom. The government discussed Lindblom's energy package but was very careful not to take a stand on it's contents. The government's Wednesday discussion can nevertheless be considered some sort of a jerk forward in the difficult energy decision.

Lindblom himself characterizes the situation as follows: "The Ministry of Trade and Industry can now continue the preparatory work, and it is important that nuclear power remains in these plans." According to Lindblom the energy policy views of government members are more in agreement than has been presented in public. Even the self-announced opponent of nuclear power, Minister of Social Affairs and Health Eeva Kuuskoski-Vikatmaa, admitted that only once during the discussion did her voice rise to a falsetto pitch.

Capacity of 5 Nuclear Plants Needed

Finland's electricity needs will grow, according to the Ministry of Trade and Industry estimates, 2700 megawatts by the year 2000. That is more than the production capacity of 5 nuclear power plants of the present size.

To fill this demand the ministry recommends first of all that the 1,200 megawatt capacity be built in a decentralized manner. Hydroelectric power would count for 150 megawatts of this. Unutilized waters would not, however, be touched. Thermal power stations could produce 900 megawatts and the so-called counterpressure energy from industrial processes could amount to 200 megawatts.

Even after all of this more than half the additional energy needs, 1,500 megawatts, would be unprovided for. The plan proposes that this would be filled by peat-fired generating plants for 100-150 megawatts, coal-fired generators for 250 megawatts and by nuclear stations for 500 megawatts.

The remaining gap would be filled with imported electricity from the USSR and Sweden to amount to 300-500 megawatts. The 500 megawatts even yet uncovered, the ministry hints, might possibly be filled by another nuclear generating station. This would have to be decided upon by the early 1990's.

The government left further investigations on the matter up to the Ministry of Trade and Industry as well as the Ministry of Finance. By the end of January they have to study, among other things, the establishment of peat-fired power plants and the national economic means of executing the electricity production decisions.

Threshold Payment for Electric Heating Studied

In that connection rises, among other things, the question of reserve capacity payments decreed for electric heating and the possibility of removing the tax on electricity produced in the thermal power stations.

The reserve capacity payment would mean that new single-family dwellings that depend on electric heat would be charged a threshold fee of 10,000 markkas.

Lindblom feels that the reserve capacity payment is a very problematic matter. "It is difficult to monitor what kind of heaters there are in the homes since they can be purchased from ordinary stores," he said.

The Ministry of Trade and Industry discovered this last winter when Finns--scared by the cold winter--rushed to stores to buy additional electric heaters with a combined rating capacity of 1,000 megawatts--the entire production capacity of two nuclear power plants.

Lindblom characterized the energy decision as deciding the fate of the nation. He considered it particularly dangerous for the industry to start envisioning future energy costs as higher than before. "This would decrease the willingness to invest and we would be left behind our competitors technologically as well."

13002/12859

CSO: 3617/30

ENERGY

NORWAY

NORSK HYDRO SEEN OVERTAKING STATOIL AGAIN AS LARGEST COMPANY

Stocks Increasingly Popular

Oslo AFTENPOSTEN in Norwegian 9 Nov 85 p 5

[Article by Thomas Knutzen: "What is Good for Hydro is Good for Norway"]

[Text] Norsk Hydro is the heavyweights' stock. When the stock price of Hydro increases from about 100 to about 155 kroner--such as it has done since the beginning of July--it means more for Norwegian investors than if nearly all of the companies on Stock Exchange II doubled in value. And the fall's great gains for Norsk Hydro benefit primarily the large institutional investors such as Orkla, Storebrand-Norden and Kreditkassen. According to the most recent stock summaries for Hydro, these were the largest private Norwegian shareholders.

If the term General Motors could be borrowed by any Norwegian company, it is certainly Norsk Hydro. With annual sales of approximately 28 billion kroner so far this year, and about 20,000 employees and more than 70,000 shareholders, Hydro weighs more than any other Norwegian company. Nearly every seventh krone which is spent on the Oslo Stock Exchange goes into Norsk Hydro. Even after subtracting the government's 51 percent of the stocks, Hydro has a higher stock market value than the number two company on the Oslo Exchange--Norsk Data. What is good for Norsk Hydro certainly is good for Norway.

At the current stock price, the value of the entire Norsk Hydro firm is about 13.3 billion kroner. Since the beginning of the year, Hydro's stock value has increased by nearly 5 billion kroner. The prices were nearly equally low in July. Since the end of September/beginning of October, the value has increased by 3.4 billion kroner, or a healthy 35 percent.

Behind this unusually strong price increase for a "heavy" company such as Norsk Hydro is the fact that foreign investors really have come to realize that Norsk Hydro is a lot more than an oil company. The fact that Hydro--which is planning on having its stocks traded on the New York Stock Exchange starting next summer--has begun to make itself known in the United States, contributes to an expansion of that market.

State Controls

No one can have any expectations of buying up Hydro. The state prevents that since it owns 43.6 million of the approximately 85.6 million shares of the company.

30 Percent Foreign-Held

As the only truly international Norwegian share-capital firm, Norsk Hydro for many years has had a large portion of its private share capital placed in foreign countries.

As of the end of October, when the most recent share registry was dated, approximately 7.4 million shares were held by French registrants, while about 7 million shares were registered in Switzerland through three Swiss banks. The same month, nearly 3 million shares were registered in West Germany through the German Foreign Bank, while 430,000 shares were registered in the Swedish Central Stock and Bonds Office. This foreign market in Hydro shares corresponds to about 20 percent of the share capital. Of the remaining 29 percent of Hydro's share capital, one will find private Norwegian shareholders, but there are also large portions which are owned or held by foreign banks--particularly in London where there are 15 broker firms which are reckoned to be market makers in Hydro's stock and which constantly are setting the price of the shares. In all, foreign investors own about 30 percent of Hydro's stock.

Ten Large Norwegians

Domestically, the ten largest private shareholders have about 4.2 million shares jointly. Since the end of September/beginning of October, their Hydro shares have increased in value by about 168 million kroner, if one calculates a price increase of 40 kroner per share. For those who have held the stock longer, the gains are even larger. Hydro shares were all the way down to 100 kroner--and in fact, a couple of kroner lower than that--earlier this year.

The ten large Norwegians within Norsk Hydro are :

1) Orkla Industries	735,000 shares
2) Storebrand-Norden Group	625,000 shares
3) Christiania Bank & Kreditkasse	576,000 shares
4) Hafslund	448,000 shares
5) Kommunal Landpensjonskasse	401,000 shares
6) UNI Forsikring	376,000 shares
7) Dyno Industries	310,000 shares
8) Aksjefondet Avanse	300,000 shares
9) Norsk Hydro's Pensjonskasse	224,000 shares
10) Aksjefondet Finans-Invest	205,000 shares

In addition, the list also is further dominated by larger, so-called institutional investors, such as insurance companies, funds and larger industrial firms. Attorney Niels A.B. Bugge has said on the radio that he has 1 million shares of Hydro, but there are only 23,000 listed in the company's registry.

The figures which are listed there, however, are not entirely current. Significant variances can be hidden in the nearly 1.9 million shares which are listed in the registry as "broker accounts." Brokers who play a central role in the market for Hydro shares say that there is not room for Bugge to "have" an entire million shares, and they add that the registry shows that Bugge in any case has bought into Norsk Hydro only recently.

The shareholder list down to shareholdings of 10,000 shares includes 285 shareholders. This includes few or none of the so-called high-flyers. Hydro represents stocks for traditional investors. Included among its ranks are not only the Norwegian state, but Her Royal Highness Crown Princess Martha's Memorial Fund as well, through Lord Chamberlain I. Smith, with an address of The Royal Palace, 0010 Oslo 1. The fund's investment in 11,270 shares has increased in value by 450,000 kroner during the last month.

Torvild Aakvaag Leading Resurgence

Oslo AFTENPOSTEN in Norwegian 9 Nov 85 p 27

[Article by Morten Woldsdal: "Acquisition-Hungry Hydro Chairman"]

[Text] During 1984, it no longer was Norway's largest firm which Torvild Aakvaag (58) led. For the first time, Statoil had passed Norsk Hydro on the list of Norway's largest firms. However, this year Norsk Hydro has overtaken--or is about to overtake--several large foreign firms. Therefore, as early as next year, the concern again can be Norway's largest firm.

Hardly a week passes without new reports of Norsk Hydro having purchased a factory in a foreign country. This is particularly true in the artificial fertilizer field--where Hydro today is the largest in the world. But this week's acquisition occurred within the oil area and involved a large ownership interest in Sweden's largest oil refinery near Lysekil.

Torvild Aakvaag has played a central role in the enormous expansion which Norsk Hydro has undergone during the past 15 years--both domestically and internationally. In 1983, the company had sales under 30 billion kroner. Next year, sales are expected to approach 50 billion. And only five years ago the number of employees was about 10,000. In 1986, it is estimated that there will be 30,000 people employed by Norsk Hydro.

It seems as though Aakvaag has been in the top position for a much longer time than just since 1 March last year when he took over as managing director. This is because he has dominated the leadership of the concern for 15 years. No one opposed his election as managing director. Nor were there any great upheavals when he took over the top position since he had controlled most aspects of the company leadership for so long.

He is not a well-known personality and does not like to be visible. He is no "social climber," as certain other leading Norwegian industrialists have been accused of being. However, he never avoids making Hydro's points of view public, but never his own personal views. As the leader of the Scandinavian company Norsk Hydro, he is one of Norway's two members of the so-called Gyllenhammar Committee. This was formed by the Nordic prime ministers in order to improve cultural and industrial cooperation in the Nordic area.

Internally within Hydro, it is said that he is an inspirer. He is characterized as very rich in ideas, active and expansive. He sees new opportunity which he takes the chance of focusing efforts on. He built Norsk Hydro up as an oil company, as the first director of the company's oil activities. Today, Hydro is in full swing with its first construction project--the Oseberg construction in the North Sea. And it is putting enormous energy into the sale and marketing of benzine and oil products in Norway, Sweden and Denmark. The oil activity--both in Norway and in foreign countries--will play a central role in the company's activity in the future.

But parallel with the large buildup within the oil sector, Hydro's position on land also has been strengthened. In this manner, the company has become immunized against a drop in oil prices. Because of the large land-based activity, Hydro in fact will not lose money if oil prices fall. "Norway, Inc." should find itself in such a situation.

Internationally, Hydro is now beginning in earnest to be viewed as something other than an oil company. Aakvaag & Co. are becoming recognized more and more as a large international industrial concern. This has led to a great upturn in the price of Hydro stock on exchanges the world over. In just a few weeks, the price has gone up by over 50 percent. In that fashion, the company's stock value has increased in a short time from 9 to more than 13 billion kroner.

After such a positive description of Hydro's managing director, possibly more negative characteristics should have been discussed to make a more balanced presentation. However, AFTENPOSTEN did not succeed in eliciting information of a less flattering character...

12578

CSO: 3639/35

ENERGY

NORWAY

BRIEFS

POSSIBLE NEW OIL FIND--Relatively large oil pools may be hidden in a particular area off the coast of mid-Norway, experts believe. Exploratory drilling is expected to begin in the area next year. The experts estimate that an extractable oil pool of between 60 and 130 million tons may be involved--a relatively large oil field for the Norwegian shelf. Seismic explorations have caused the experts to believe that such a pool may be hidden in a structure which stretches over four blocks--6608/10, 6608/11, 6508/1 and 6508/2. These are among a series of blocks which were allocated during concession round 10B. There is reason to believe that several companies have tied special expectations to these four blocks. Without saying which blocks are involved, Saga Petroleum has announced that it has applied for three operator positions in round 10B and that one of the desired operator undertakings involves four blocks. There is reason to believe that this involves precisely the four blocks which several experts view with special interest. [Text] [Oslo AFTENPOSTEN in Norwegian 7 Nov 85 p 44] 12578

ENVIRONMENTAL QUALITY

EUROPEAN AFFAIRS

SCANDINAVIAN COUNTRIES' ENVIRONMENT AGENCIES, VIEWS COMPARED

Sweden's New Minister Comments

Stockholm DAGENS NYHETER in Swedish 10 Nov 85 p 8

[Article by Magdalena Ribbing]

[Text] The Nordic ministers of environment will meet on Aland this week to discuss ways in which environmental issues can be coordinated. Environmental issues have often been given short shrift within the governments. Sweden has now drawn attention to the importance of such issues by appointing a minister of environment--Ingvar Carlsson--who is the prime minister's closest collaborator.

DAGENS NYHETER's correspondents have taken a look at how ministers of environment work around the world.

The forest is currently the most important environmental issue for Ingvar Carlsson, Sweden's new minister of environment. But he admits that it is hard to set priorities--it may be that nontoxic foodstuffs are just as important.

"We must make a vigorous effort to save the forests. So tremendously much depends on their being able to grow--in Africa, the Latin American rain forests, and all the European forests now threatened with death as a result of acidification. In Sweden's case, continued destruction of the forest would be the worst environmental catastrophe ever. The forest is important to the entire national economy."

Should Sweden do a little more to get Great Britain and Poland to sign the international agreement on reducing emissions--something they have so far refused to do?

Ingvar Carlsson is concerned over the fact that Sweden has failed in its attempts to induce those two countries to reduce their emission of pollutants. But he is not planning any unilateral Swedish action--only continued pressure together with the other Nordic countries. The meeting by the ministers of environment in Mariehamn this Tuesday may provide new opportunities to exert

influence, as may the environmental meeting in Stockholm in the fall of 1986 with parliament members.

Ingvar Carlsson says: "If parliament members and governments advance together, there will be massive pressure from united Nordic opinion. And that will be effective."

Talks on the subject are already underway between British Social Democrats and their Swedish counterparts, and Ingvar Carlsson is hoping for newly aroused British public opinion in favor of a better environment.

"We Are Critical"

Sweden is often regarded abroad as a leading country when it comes to environmental policy. But we ourselves are more critical of what has been done, according to Ingvar Carlsson, who says:

"We ourselves must reduce our own emissions at the same time that we are demanding of other countries that they do the same."

A number of environmental improvements are already underway, examples being catalytic emission control devices, a 50-percent reduction in the use of toxic substances in agriculture, and the Chemical Inspectorate, a new agency that Ingvar Carlsson says may become one of the world's most important monitoring organizations in its field. Is there money for more improvements?

"The crucial problem is not more money. The most important need of all is for environmental aspects to be considered at an early stage in the decisionmaking process, starting at the municipal level and extending all the way to decisions reached in Parliament. Environmental issues must be included everywhere from the start."

Coordination

Ingvar Carlsson is Prime Minister Olof Palme's closest collaborator in the government and deputy prime minister. He is also the government's minister for future studies and is responsible for research. Why were environmental issues also assigned to him instead of being made a separate ministry?

"It was better this way," says Ingvar Carlsson. "A Ministry of Environment would have delayed progress and weakened the issues." Now he can coordinate the environmental policies implemented by several ministries: labor, industry, energy, and housing:

"We saw that in the government as an advantage. And in the Ministry of Agriculture, I am directly responsible for environmental issues."

Vehicle Exhaust

He lives in the nearby suburb of Tyreso and works in the center of Stockholm. He does not want to say that the city is dangerous, but he says firmly that

exhaust emissions must be reduced. Catalytic converters are an important step in that direction. High standards must also be set for residential heating.

For the future, Ingvar Carlsson is hoping for cooperation on environmental policy with the Center Party. That would be good for Sweden, he says.

Norway's Minister Cites Problems

Stockholm DAGENS NYHETER in Swedish 10 Nov 85 p 8

[Article by Erik Magnusson]

[Text] Oslo--When Rakel Surlien, Norway's minister of environmental affairs, made an industrial visit to the Tinfos Steelworks outside Oslo early in September, she was met by striking workers.

The steel mill's union had protested the imposing of daily fines on the firm for shortcomings in its purification routines. The employees stopped work for 5 minutes in a spontaneous protest against the minister.

As minister in charge of protecting the environment, the 41-year-old member of the Center Party has had to get used to criticism from both the Right and the Left.

Like previous Norwegian ministers of environmental affairs, Rakel Surlien has been described as something of an "opposition politician" within the government--a minister who is supposed to prevail upon her cabinet colleagues to take the environment and nature into consideration in their decisions.

Rakel Surlien says: "Environmental protection has not been fully accepted within the government, you see. One is therefore dependent on public opinion in this job. And one must also try to shape public opinion."

At the Ministry of Environmental Affairs, 200 people work in the shadow of Oslo's Akershus Fortress. But the ministry has only a little over 1 billion kroner per year--2 or 3 percent of the total national budget--to work with.

And it is not the intention that the government's environmental work should cost a lot of money. Instead, the minister of environmental affairs is in charge of seeing to it that no decisions conflicting with the government's environmental protection policy are made.

Six government departments are part of the ministry, and they include the Custodian of National Monuments. The Norwegians therefore do not have a central state agency similar to Sweden's Environment Protection Board. Instead, the actual work of protecting the environment is handled by the Directorate of Nature Management and the State Pollution Control Board.

Norway has had ministers of environmental affairs since 1972. Rakel Surlien feels that the position is important so that the government can protect environmental interests in its work.

On the subject of mistakes that have been made in Norwegian environmental policy, Rakel Surlien mentions the much-discussed fight over the Alta River, when massive demonstrations halted government plans for a hydroelectric plant.

Danish Environment Ministry Reorganized

Stockholm DAGENS NYHETER in Swedish 10 Nov 85 p 8

[Article by Christian Palme]

[Text] Copenhagen--Ten years after combining all environmental matters in a special ministry, Denmark has almost nothing but good experiences to show for it. Greater acceptance of environmental issues is an important point.

The embryo of the present Ministry of Environment was created back in 1972, when all matters concerned with pollution in the external environment and with toxic substances in foodstuffs were taken away from the Ministry of Interior. The new creation was christened the Ministry for the Fight Against Pollution.

The "Pollution Ministry" was expanded into a Ministry of Environment in 1975. Four new areas were added to the new ministry:

1. Physical planning was transferred from the Ministry of Housing.
2. Nature conservation and architectural protection were transferred from the Ministry of Culture.
3. The Danish Geological Survey and matters involving natural resources (except oil and coal) were transferred from the Ministry of Public Works.
4. The State Forests were transferred from the Ministry of Agriculture.

"From the standpoint purely of control, the merger has been very positive," says Leo Bjornskov, head clerk at the Ministry of Environment, who has played a part in the entire development of the now 10-year-old activity.

He says: "It also means that environmental issues have become more widely accepted in a period when the inhabitants are putting pressure on politicians to take nature into consideration."

The current minister of environment is Christian Christensen. He is the four-party nonsocialist government's only member from the coalition's "junior partner," the Christian People's Party, which is the equivalent of the KDS [Christian Democratic Union] in Sweden. It has four members in Parliament. Christiansen is 60 years old and has been a member of Parliament since 1973.

11798

CSO: 3650/51

END

END OF

FICHE

DATE FILMED

17 JANUARY 1986

The figures which are listed there, however, are not entirely current. Significant variances can be hidden in the nearly 1.9 million shares which are listed in the registry as "broker accounts." Brokers who play a central role in the market for Hydro shares say that there is not room for Bugge to "have" an entire million shares, and they add that the registry shows that Bugge in any case has bought into Norsk Hydro only recently.

The shareholder list down to shareholdings of 10,000 shares includes 285 shareholders. This includes few or none of the so-called high-flyers. Hydro represents stocks for traditional investors. Included among its ranks are not only the Norwegian state, but Her Royal Highness Crown Princess Martha's Memorial Fund as well, through Lord Chamberlain I. Smith, with an address of The Royal Palace, 0010 Oslo 1. The fund's investment in 11,270 shares has increased in value by 450,000 kroner during the last month.

Torvild Aakvaag Leading Resurgence

Oslo AFTENPOSTEN in Norwegian 9 Nov 85 p 27

[Article by Morten Woldsdal: "Acquisition-Hungry Hydro Chairman"]

[Text] During 1984, it no longer was Norway's largest firm which Torvild Aakvaag (58) led. For the first time, Statoil had passed Norsk Hydro on the list of Norway's largest firms. However, this year Norsk Hydro has overtaken--or is about to overtake--several large foreign firms. Therefore, as early as early as next year, the concern again can be Norway's largest firm.

Hardly a week passes without new reports of Norsk Hydro having purchased a factory in a foreign country. This is particularly true in the artificial fertilizer field--where Hydro today is the largest in the world. But this week's acquisition occurred within the oil area and involved a large ownership interest in Sweden's largest oil refinery near Lysekil.

Torvild Aakvaag has played a central role in the enormous expansion which Norsk Hydro has undergone during the past 15 years--both domestically and internationally. In 1983, the company had sales under 30 billion kroner. Next year, sales are expected to approach 50 billion. And only five years ago the number of employees was about 10,000. In 1986, it is estimated that there will be 30,000 people employed by Norsk Hydro.

It seems as though Aakvaag has been in the top position for a much longer time than just since 1 March last year when he took over as managing director. This is because he has dominated the leadership of the concern for 15 years. No one opposed his election as managing director. Nor were there any great upheavals when he took over the top position since he had controlled most aspects of the company leadership for so long.

He is not a well-known personality and does not like to be visible. He is no "social climber," as certain other leading Norwegian industrialists have been accused of being. However, he never avoids making Hydro's points of view public, but never his own personal views. As the leader of the Scandinavian company Norsk Hydro, he is one of Norway's two members of the so-called Gyllenhammar Committee. This was formed by the Nordic prime ministers in order to improve cultural and industrial cooperation in the Nordic area.

Internally within Hydro, it is said that he is an inspirer. He is characterized as very rich in ideas, active and expansive. He sees new opportunity which he takes the chance of focusing efforts on. He built Norsk Hydro up as an oil company, as the first director of the company's oil activities. Today, Hydro is in full swing with its first construction project--the Oseberg construction in the North Sea. And it is putting enormous energy into the sale and marketing of benzine and oil products in Norway, Sweden and Denmark. The oil activity--both in Norway and in foreign countries--will play a central role in the company's activity in the future.

But parallel with the large buildup within the oil sector, Hydro's position on land also has been strengthened. In this manner, the company has become immunized against a drop in oil prices. Because of the large land-based activity, Hydro in fact will not lose money if oil prices fall. "Norway, Inc." should find itself in such a situation.

Internationally, Hydro is now beginning in earnest to be viewed as something other than an oil company. Aakvaag & Co. are becoming recognized more and more as a large international industrial concern. This has led to a great upturn in the price of Hydro stock on exchanges the world over. In just a few weeks, the price has gone up by over 50 percent. In that fashion, the company's stock value has increased in a short time from 9 to more than 13 billion kroner.

After such a positive description of Hydro's managing director, possibly more negative characteristics should have been discussed to make a more balanced presentation. However, AFTENPOSTEN did not succeed in eliciting information of a less flattering character...

12578

CSO: 3639/35

ENERGY

NORWAY

BRIEFS

POSSIBLE NEW OIL FIND--Relatively large oil pools may be hidden in a particular area off the coast of mid-Norway, experts believe. Exploratory drilling is expected to begin in the area next year. The experts estimate that an extractable oil pool of between 60 and 130 million tons may be involved--a relatively large oil field for the Norwegian shelf. Seismic explorations have caused the experts to believe that such a pool may be hidden in a structure which stretches over four blocks--6608/10, 6608/11, 6508/1 and 6508/2. These are among a series of blocks which were allocated during concession round 10B. There is reason to believe that several companies have tied special expectations to these four blocks. Without saying which blocks are involved, Saga Petroleum has announced that it has applied for three operator positions in round 10B and that one of the desired operator undertakings involves four blocks. There is reason to believe that this involves precisely the four blocks which several experts view with special interest. [Text] [Oslo AFTENPOSTEN in Norwegian 7 Nov 85 p 44] 12578

ENVIRONMENTAL QUALITY

EUROPEAN AFFAIRS

SCANDINAVIAN COUNTRIES' ENVIRONMENT AGENCIES, VIEWS COMPARED

Sweden's New Minister Comments

Stockholm DAGENS NYHETER in Swedish 10 Nov 85 p 8

[Article by Magdalena Ribbing]

[Text] The Nordic ministers of environment will meet on Aland this week to discuss ways in which environmental issues can be coordinated. Environmental issues have often been given short shrift within the governments. Sweden has now drawn attention to the importance of such issues by appointing a minister of environment--Ingvar Carlsson--who is the prime minister's closest collaborator.

DAGENS NYHETER's correspondents have taken a look at how ministers of environment work around the world.

The forest is currently the most important environmental issue for Ingvar Carlsson, Sweden's new minister of environment. But he admits that it is hard to set priorities--it may be that nontoxic foodstuffs are just as important.

"We must make a vigorous effort to save the forests. So tremendously much depends on their being able to grow--in Africa, the Latin American rain forests, and all the European forests now threatened with death as a result of acidification. In Sweden's case, continued destruction of the forest would be the worst environmental catastrophe ever. The forest is important to the entire national economy."

Should Sweden do a little more to get Great Britain and Poland to sign the international agreement on reducing emissions--something they have so far refused to do?

Ingvar Carlsson is concerned over the fact that Sweden has failed in its attempts to induce those two countries to reduce their emission of pollutants. But he is not planning any unilateral Swedish action--only continued pressure together with the other Nordic countries. The meeting by the ministers of environment in Mariehamn this Tuesday may provide new opportunities to exert

influence, as may the environmental meeting in Stockholm in the fall of 1986 with parliament members.

Ingvar Carlsson says: "If parliament members and governments advance together, there will be massive pressure from united Nordic opinion. And that will be effective."

Talks on the subject are already underway between British Social Democrats and their Swedish counterparts, and Ingvar Carlsson is hoping for newly aroused British public opinion in favor of a better environment.

"We Are Critical"

Sweden is often regarded abroad as a leading country when it comes to environmental policy. But we ourselves are more critical of what has been done, according to Ingvar Carlsson, who says:

"We ourselves must reduce our own emissions at the same time that we are demanding of other countries that they do the same."

A number of environmental improvements are already underway, examples being catalytic emission control devices, a 50-percent reduction in the use of toxic substances in agriculture, and the Chemical Inspectorate, a new agency that Ingvar Carlsson says may become one of the world's most important monitoring organizations in its field. Is there money for more improvements?

"The crucial problem is not more money. The most important need of all is for environmental aspects to be considered at an early stage in the decisionmaking process, starting at the municipal level and extending all the way to decisions reached in Parliament. Environmental issues must be included everywhere from the start."

Coordination

Ingvar Carlsson is Prime Minister Olof Palme's closest collaborator in the government and deputy prime minister. He is also the government's minister for future studies and is responsible for research. Why were environmental issues also assigned to him instead of being made a separate ministry?

"It was better this way," says Ingvar Carlsson. "A Ministry of Environment would have delayed progress and weakened the issues." Now he can coordinate the environmental policies implemented by several ministries: labor, industry, energy, and housing:

"We saw that in the government as an advantage. And in the Ministry of Agriculture, I am directly responsible for environmental issues."

Vehicle Exhaust

He lives in the nearby suburb of Tyreso and works in the center of Stockholm. He does not want to say that the city is dangerous, but he says firmly that

exhaust emissions must be reduced. Catalytic converters are an important step in that direction. High standards must also be set for residential heating.

For the future, Ingvar Carlsson is hoping for cooperation on environmental policy with the Center Party. That would be good for Sweden, he says.

Norway's Minister Cites Problems

Stockholm DAGENS NYHETER in Swedish 10 Nov 85 p 8

[Article by Erik Magnusson]

[Text] Oslo--When Rakel Surlien, Norway's minister of environmental affairs, made an industrial visit to the Tinfos Steelworks outside Oslo early in September, she was met by striking workers.

The steel mill's union had protested the imposing of daily fines on the firm for shortcomings in its purification routines. The employees stopped work for 5 minutes in a spontaneous protest against the minister.

As minister in charge of protecting the environment, the 41-year-old member of the Center Party has had to get used to criticism from both the Right and the Left.

Like previous Norwegian ministers of environmental affairs, Rakel Surlien has been described as something of an "opposition politician" within the government--a minister who is supposed to prevail upon her cabinet colleagues to take the environment and nature into consideration in their decisions.

Rakel Surlien says: "Environmental protection has not been fully accepted within the government, you see. One is therefore dependent on public opinion in this job. And one must also try to shape public opinion."

At the Ministry of Environmental Affairs, 200 people work in the shadow of Oslo's Akershus Fortress. But the ministry has only a little over 1 billion kroner per year--2 or 3 percent of the total national budget--to work with.

And it is not the intention that the government's environmental work should cost a lot of money. Instead, the minister of environmental affairs is in charge of seeing to it that no decisions conflicting with the government's environmental protection policy are made.

Six government departments are part of the ministry, and they include the Custodian of National Monuments. The Norwegians therefore do not have a central state agency similar to Sweden's Environment Protection Board. Instead, the actual work of protecting the environment is handled by the Directorate of Nature Management and the State Pollution Control Board.

Norway has had ministers of environmental affairs since 1972. Rakel Surlien feels that the position is important so that the government can protect environmental interests in its work.

On the subject of mistakes that have been made in Norwegian environmental policy, Rakel Surlien mentions the much-discussed fight over the Alta River, when massive demonstrations halted government plans for a hydroelectric plant.

Danish Environment Ministry Reorganized

Stockholm DAGENS NYHETER in Swedish 10 Nov 85 p 8

[Article by Christian Palme]

[Text] Copenhagen--Ten years after combining all environmental matters in a special ministry, Denmark has almost nothing but good experiences to show for it. Greater acceptance of environmental issues is an important point.

The embryo of the present Ministry of Environment was created back in 1972, when all matters concerned with pollution in the external environment and with toxic substances in foodstuffs were taken away from the Ministry of Interior. The new creation was christened the Ministry for the Fight Against Pollution.

The "Pollution Ministry" was expanded into a Ministry of Environment in 1975. Four new areas were added to the new ministry:

1. Physical planning was transferred from the Ministry of Housing.
2. Nature conservation and architectural protection were transferred from the Ministry of Culture.
3. The Danish Geological Survey and matters involving natural resources (except oil and coal) were transferred from the Ministry of Public Works.
4. The State Forests were transferred from the Ministry of Agriculture.

"From the standpoint purely of control, the merger has been very positive," says Leo Bjornskov, head clerk at the Ministry of Environment, who has played a part in the entire development of the now 10-year-old activity.

He says: "It also means that environmental issues have become more widely accepted in a period when the inhabitants are putting pressure on politicians to take nature into consideration."

The current minister of environment is Christian Christensen. He is the four-party nonsocialist government's only member from the coalition's "junior partner," the Christian People's Party, which is the equivalent of the KDS [Christian Democratic Union] in Sweden. It has four members in Parliament. Christiansen is 60 years old and has been a member of Parliament since 1973.

11798
CSO: 3650/51

END

END OF

FICHE

DATE FILMED

17 JANUARY 1986